



# NON FINANCIAL REPORT

2018



ethias



#### NATIONAL HEAD OFFICE

Rue des Croisiers 24 4000 LIÈGE

Tel. + 32 (0)4 220 31 11

Fax + 32 (0)4 220 30 05

#### HEAD OFFICE FOR FLANDERS

Prins-Bisschopssingel 73 3500 HASSELT

Tel. + 32 (0)11 28 21 11

Fax + 32 (0)11 28 20 20

#### HEAD OFFICE FOR THE GERMAN-SPEAKING REGION

Klötzerbahn 24-26 4700 EUPEN

Tel. + 32 (0)87 59 10 00

Fax + 32 (0)87 59 10 09

[www.ethias.be](http://www.ethias.be)

## INTRODUCTION

1919 – 2019: a century at the service of our customers!  
Ethias is turning 100 years old. Ethias is the insurance leader of public bodies with over 1 200 000 private clients in Belgium. As n°1 insurer in direct distribution, Ethias has always opted for a relationship based on proximity, trust and innovation with its customers. Customer satisfaction has always been a part of our values and of the daily work of our 1.800 employees.

**It is no coincidence that Ethias received an award as the most “customer friendly” insurance company and the strongest brand on the Belgian insurance market in 2018!**

This non-financial report is a new opportunity to demonstrate Ethias’ accomplishments in 2018 and its commitment since 2003, together with the social partners, in the field of Corporate Social Responsibility (CSR).

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, its mission statement and its vision but also to evaluate – within the framework of an ongoing dialogue with all its stakeholders – the progress made in the social, societal and environmental fields.

To this end, the Ethics Committee was founded in 2003 in order to bring together as much representatives of the Management as of the employees. This Ethics Committee aims at developing, monitoring and evaluating CSR-related approaches, initiatives and projects for all of our business. 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 broadly of all its employees, but also the fruit 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 a

- Trustworthy insurer
- Sustainable company
- Responsible investor

The insurer of tomorrow will have to bring more added value to society. It has a duty to get involved in social, ethical and environmental causes.

Ethias’ mission statement is simple: “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.”

We wish you a pleasant reading and remain at your disposal.

**Philippe LALLEMAND**

Chairman of the Executive  
Committee  
Chief Executive Officer

**Myriam VAN VARENBERGH**

Chairman of the Board  
of Directors

# TABLE OF CONTENTS

<b>1. GENERAL FRAMEWORK .....</b>	<b>7</b>
1.1 Key trends .....	7
1.2 The Ethias model .....	8
1.3 The strategic foundations of Ethias .....	9
1.4 Risks and opportunities .....	13
1.5 Methodology .....	15
<b>2. ETHIAS A TRUSTWORTHY INSURER .....</b>	<b>17</b>
2.1 Sustainable insurance products - Transport, Health Care and Population Ageing .....	18
2.2 Partnerships .....	19
2.3 Clients .....	20
• Prévention .....	21
• Digital .....	22
2.4 Risk Management .....	23
2.5 Complaint Management .....	23
<b>3. ETHIAS A SUSTAINABLE COMPANY .....</b>	<b>25</b>
3.1 Social cohesion .....	25
3.2 Ethias 2.0 / 2.1 .....	26
3.3 Diversity .....	28
3.4 Change Management .....	29
3.5 Operational Excellence for everyone .....	30
3.6 Re-enchantment process .....	30
3.7 Prevention of psychosocial risks .....	31
• Social Cell .....	31
• Persons of confidence .....	31
• First aiders .....	31
3.8 Employee association .....	33
3.9 Integrity .....	34
• Integrity .....	34
• United Nations Global Compact .....	34
• Social-Ethical Code .....	35
• Code of conduct for the Financial Department .....	35
• Ethic Committee .....	35
3.10 Protection of the Environment .....	36
• Environmental governance .....	36
• Reduction of CO <sub>2</sub> emissions .....	36
• Waste management .....	36
• Responsible suppliers .....	37
• Mobility .....	38
• Green Movement .....	38
3.11 Sponsoring .....	39
<b>4. ETHIAS A RESPONSIBLE INVESTOR .....</b>	<b>41</b>
4.1 Ethical investment code .....	41
4.2 Responsible investments .....	42
• Investment with environmental, social and societal impact .....	42
<b>5. CONCLUSIONS .....</b>	<b>45</b>
5.1 Scope of the report .....	45
5.2 Principles of the report .....	45
5.3 Membership .....	46



# 1. GENERAL FRAMEWORK

## 1.1 KEY TRENDS

The insurance sector is facing numerous challenges brought by evolving consumption patterns and habits, the regulatory and demographic frameworks as well as new technologies.

A few challenges for the insurance sector:

### Changing the client's consumption habits

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

### Technological and digital evolution

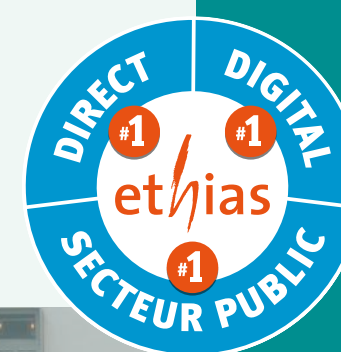
- Internet of Things (IoT)
- Big Data
- Social networks
- Digitalization
- Robotization
- Artificial Intelligence
- ...

### Regulatory context

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

### Macroeconomic and demographic environment

- Population ageing
- Low rate environment
- ...

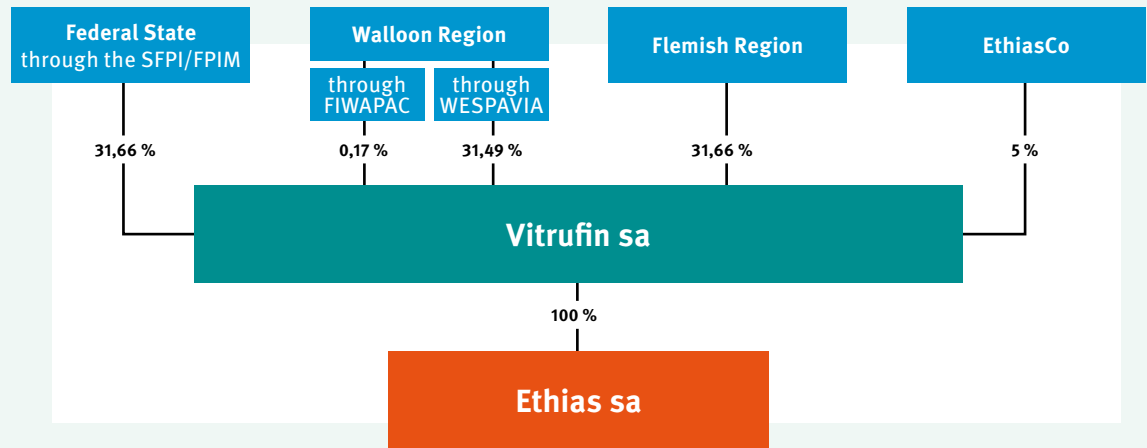


In this context, Ethias' unique business model revolving around proximity (n°1 Direct insurer and partner of public bodies) and innovation enables us to better meet the customers' expectations, whether these are private individuals or public bodies.



### 1.2 THE ETHIAS MODEL

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



Ethias is the 3rd largest insurer for Non-Life activities in Belgium, with a market share of 11%. For Life activities, Ethias has a market share of 7.6% while being the first insurer for 1st pillar activities (pension insurance).

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

#### Ethias is the first insurer of the public sector and its agents

Ethias' 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, miscellaneous associations...**

Over 1 200 000 people put their trust in Ethias every day.

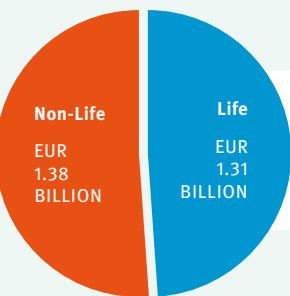
#### Ethias is the only major direct insurer in Belgium

##### Distribution channels:

- A network of **39 regional offices** throughout Belgium
- **2 Customer Centres**
- **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



Ethias is the only insurer selling 10 full online products, from offer to payment.



#### INCOME

Ethias' income as of 31 December 2018 amounts to **EUR 2.69 billion**

### 1.3 THE STRATEGIC FOUNDATIONS OF ETHIAS

2018 was a pivotal year for Ethias!

Ethias started a huge transformation and modernisation program back in 2017 in order to strengthen our governance and to launch Ethias 2.0, a new customer-oriented organisation model.

In 2018, the Executive Committee developed a program updating the company's strategic foundations, according to a structured, methodical and internal approach.

The Board of Directors approved this program, which was then distilled into initiatives at team level.

This strategic program aims at reinforcing Ethias' position as insurer n°1 in Direct, n°1 in Digital and leader in public bodies.



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

#### Board of Directors:

##### Myriam Van Varenbergh

Chairwoman

##### 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

The gender parity is balanced.

Since 2017, women make up for a third of the Executive Committee and Board of Directors (BoD). For the first, a woman is at the head of the BoD.





## #ProudOfOurValues

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

Together with our employees, we defined our values as:



## #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.



## #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 top-notch service quality. Our accessibility, our efficiency, our flexibility speak for themselves and clearly contribute to the satisfaction of our clients.



## #Commitment

For 100 years, we have been 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.



## #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.

Throughout 2018, we have applied our values inside and outside of the company by displaying a charter of good conduct in our offices in order to inspire every employee and through daily communications on the corporate intranet, video clips, website, non-financial report, conferences, etc.



## MISSION STATEMENT

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 statement:

Our mission statement: 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."

Just like our values, our ambassadors – our employees, advisers, inspectors or preventors – applied the mission in the field.



## VISION

The company's **vision** was approved in 2018. It revolves around our ambition to strengthen Ethias as insurer n°1 in Direct, n°1 in Digital and as the leading insurer of public bodies.

This vision is about enhancing the customer experience through our large product range, our Omnichannel model, constant innovation of our processes and services and the empowerment program that will turn our employees into our main ambassadors.

This vision is mainly based on:

- Mobility
- Health
- Population ageing

It aims at creating and capturing value for our clients, our staff and our shareholders.





## STRATEGIC PLAN

Based on our values, on our mission statement and in order to sustain our vision over a 5-year timespan, teams drew up a strategic plan which was approved by the Board of Directors.

**This strategic plan aims at fulfilling our vision and reinforcing Ethias' position as the n°1 company in Direct, n°1 in Digital and leader in public bodies.**

It revolves around distribution, our products, the service provided to the clients and the quality of our solutions including several initiatives for each component.



To support its growth and to strengthen its direct insurer's model, Ethias has embarked on an ambitious plan for **technological transformation**. This includes the acquisition of new IT tools to meet the future needs of our customers and to improve overall performance. These tools mainly support the launch of the Omnichannel strategy (e-commerce, social media, etc.). This program also includes the modernization of the IT architecture supporting the Non-Life business through the Guidewire application.



To prepare for the integration and use of Guidewire within Ethias, an implementation program called «Century» has started in December 2015. The aim of Century is to do everything in our power to make Guidewire operational in 2019. The program also focuses on accompanying measures and training needed to facilitate this transformation. The target is to carry on with the operational roll-out while focusing on the car insurance policies and launching production in the course of 2019.

In addition to this transformation program, Ethias is perfectly aware of the important influence of social media on the digital strategy and therefore commits to substantially growing its online presence.

Also, our products are still to be purchased online (only Belgian insurer with 10 insurance products that can be fully underwritten online, from offer to payment) and we keep on investing in our network of offices in order to build the concept of contemporary office (Concept Store 3.0).



## 1.4 RISKS AND OPPORTUNITIES

Just like any other commercial or industrial company, Ethias is subject to risks related to the execution of its activity.

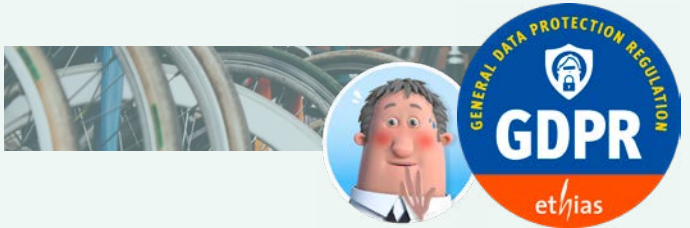
In order to prevent these risks, Ethias drew up several policies defining the:

- established governance to optimise risk management;
- roles and missions of the stakeholders (Board of Directors, Audit and Risk Committee, Executive Committee, Chief Risk Officer, Risk Management, monitoring functions...);
- risk tolerance to these risks in particular.

Therefore, Ethias also complies with the following policies:

- General risk policy
- Investment risk management policy
- Operational risk management policy
- General security policy
- Business continuity policy

In the course of 2018, Ethias implemented several actions to protect itself from specific non-financial risks.



### Risk of loss or alteration of personal data

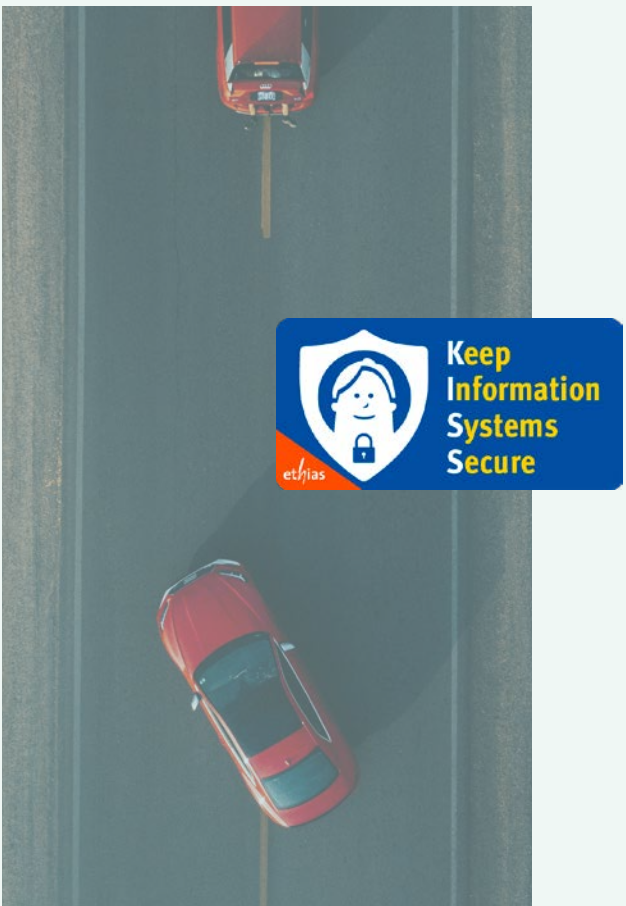
Due to the coming into effect of the General Data Protection Regulation (GDPR), Ethias launched a large-scale action plan in order to fully comply with the new standards.

Within this framework, Ethias achieved the following actions:

- Strengthening governance with regard to personal data
- Creating a data processing record such as required by the regulation
- Designating a Data Protection Officer
- Strengthening and formalising the duties of subcontractors and partners
- Generalising the Privacy by design approach in all IT or OpEx-related projects followed by impact assessments for the processing of the most sensitive data
- Enhancing the security of data storage sites
- Improving the collaboration with IT subsidiaries in order to define shared best practices
- Improving the procedure for reporting Privacy incidents
- Defining notification and communication procedures in the event of data breach

Ethias also focused on training and raise the staff's awareness about GDPR's principles. In 2018, all employees earned a bonus for successfully completing a test measuring their knowledge and assimilation of all "privacy" and "security" concepts. Success rate was over 90%!

In 2019, Ethias will have the opportunity to provide its customers (private, bodies or corporate) with innovative solutions ensuring a highly secured data exchanges through the various IT channels at their disposal.



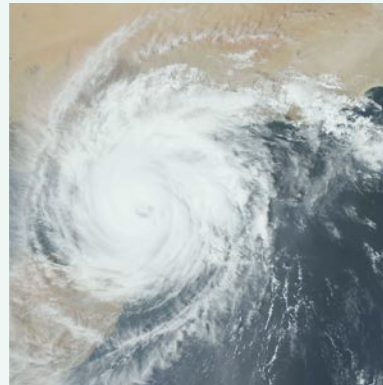


### Cyber Risk

Keen to position itself as a leading player in the Digital sector, Ethias has obviously taken into account the risks associated with ever-growing cybercrime.

In order protect itself from such a risk, Ethias has taken out a specific insurance contract with a foreign insurer covering its potential liability in this respect and providing the financial resources in order to absorb any potential damage as quickly as possible.

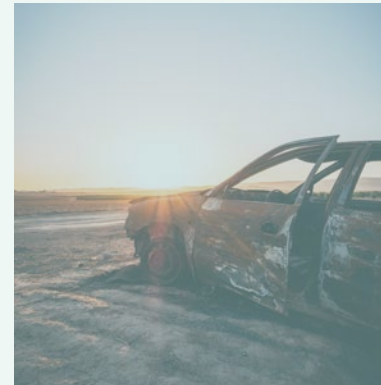
Ethias also wanted to offer a similar guarantee to its policyholders and developed Ethias Cyber Protection insurance for Public bodies. This insurance provides not only for guarantees in terms of liability and restoration of systems but also for prevention and monitoring services.



### Environmental risks

Ethias is attentive to climate issues (global warming, pollution...) that are likely to affect either the profitability of its products or the very continuity of its activities.

As part of its ORSA process (Own Risk and Self-Assessment), Ethias evaluates the potential impacts of a natural disaster each year. Stress tests that are carried out are meant to challenge the company's reinsurance policy. In addition, its Ethical Investment Code excludes investments in environmentally harmful industrial activities. 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. In the same vein, black-out tests are carried out periodically in order to test our resilience based on our energy self-sufficiency.



### Reputational risk

In order to protect itself from reputation risk, Ethias takes various measures to preserve the integrity of its image.

Therefore, the Ethical Investment Code excludes the acquisition of shares in presumably dubious activities.

Several internal departments have established operating charters (Privacy, Risk Management, Actuarial Control, Compliance, etc.) in order to raise the staff's awareness of the ethical behaviour that should be adopted in the performance of their activities.

Ethias regularly conducts opinion surveys to gather the opinion of its policyholders on the quality of its services. The results of these surveys carried out by independent research firms regularly demonstrate the quality of the Ethias brand name.

## 1.5 METHODOLOGY

This non-financial report is a true opportunity for Ethias

This is not only a matter of continuity, since Ethias has been drawing a corporate social responsibility report since 2007, but mostly an opportunity to take stock of the insurer's approach as a precursor in corporate social responsibility. This second edition of the non-financial report goes way beyond the legal obligation.

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 2019 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-2018, the various entities (Sales & Customer, HR, Finance, Risk, Facilities, Vendor Management, IT, etc.) were invited to 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 updated and 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. Ethias is a participant of the United Nations Global Compact, a keystone of our CSR policy.

**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

### Ethias, close to its clients

Ethias' strength is to be found in its proximity to its B2C and B2B clients.

This proximity revolves around 3 fundamental characters for a unique client experience: Simple – Efficient – Human.

This experience is brought by the power of Omnichannel. Policyholders can choose how they want to be taken care of through:

- 1 network of 39 offices (37 from March 2019 onwards) all over Belgium
- 2 Customers Centers
- 2 Call Centers for claims
- 68 sales representatives working for Public bodies, the private sector and partner brokers
- 1 website
- 1 mobile app for claims reporting
- 3 social media platforms.



Ethias is connecting the digital and physical worlds to bring the best solution to its customers: the **Phygital** world.





## 2.1 SUSTAINABLE INSURANCE PRODUCTS

### › TRANSPORT, HEALTH CARE AND POPULATION AGEING

Ethias' CSR approach is only to influence the behaviour of the company, its stakeholders and its employees, but also to promote responsible behaviour in a sustainable way.

Ethias is willing to join the energy transition and reward sustainable behaviours with eco-friendly certified products, services and price offers.



- **“Under 10 000 km” insurance:** low-mileage drivers whose bonus-malus level is between 0 and 2 benefit from an advantageous rate for their car insurance (15% off the civil liability premium and 10% off the omnium).
- **Special price for clean vehicles:** owners of an electric or hybrid car with CO<sub>2</sub>-emissions remaining under 100 grams can also benefit from a discount (hybrid car: 20% off the civil liability premium and omnium – electric car: 30% off the civil liability premium and omnium).
- **Reward for responsible driving:** commercials discounts and benefits for drivers who have not had an accident at fault for several years.
- **Ethias Young Drivers:** finding the right car insurance policy can be tricky for young drivers. Ethias wants to support them and make them responsible with the Ethias Young Drivers Bonus product. Young drivers' bonus-malus decreases 2 times faster during the first two years if there are no claims.
- **Sustainable transport cover for free with the family insurance:** the number of sustainable transportation vehicles has increased significantly in recent years. To help our insurers and use these new transportation vehicles, Ethias decided in March 2018 to cover free of charge all transportation devices (including electric wheelchairs) below 45km/h and that does not require plate registration through the family insurance and legal assistance.
- **Bike & More:** in April 2018, Ethias launched its new product and services “Ethias Bike & More” dedicated to sustainable transportation devices which are increasing investments for household budgets. From now on, all sorts of covers can be purchased on demand for regular and electric bikes, hover boards, unicycles or scooters just like for cars : material damages (total or partial), body injuries insurance for drivers and passengers (for bicycles with child seats, for example), breakdown assistance and theft in Belgium.
- **6-Wheel insurance:** this insurance is a perfect response to developments in the car market and the growing trend to combine the use of different motor vehicles for travel in order to avoid traffic jams. With this preferential offer, Ethias brings a new solution to multimodal transport in favour of car- or motorbike-owners within a household.
- **Fire insurance without deductible:** in August 2018, Ethias abolished the deductible applicable to fire insurance contracts. Most consumers think that paying a deductible is unfair because they pay premiums in the first place so that they don't have to put money up in the event of a claim. Just like for our car and assistance insurance, Ethias abolished the deductible to guarantee the policyholder absolute peace of mind even when confronted with an unpleasant life event as an owner or tenant. At the same time, Ethias improved the general conditions of its brand insurance contract.
- **Health care insurance:** as a socially responsible actor, Ethias has a duty to position itself when it comes to health and population ageing. Therefore, Ethias will sell in the beginning of 2019 the first package of Health care products that combines innovative covers and services to meet the highest needs of our customers and help them through difficult times.

## 2.2 PARTNERSHIPS



Ethias has been partnering with Blue-bike for 3 years now. These are rental bicycles available at SNCB/NMBS train stations. Ethias provides an insurance for the bikes and the Assistance coverage to people who borrow them. This partnership was renewed in 2018. Discussions are ongoing to improve this partnership and bring new integrated mobility solutions to the client (ecosystem).



Ethias has entered into a partnership with Traxio-Vélo for the marketing of Bike & More in Traxio member stores.



Through our Whestia label (Outstanding balance), Ethias works with the FLW (Walloon Housing Fund) and with agents selling social loans in Wallonia.

Through various partnerships with the public sector, Ethias provided customized products for civil servants.





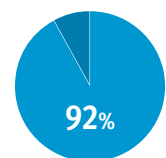
## 2.3 CLIENTS

Ethias has identified three major trends in new customer needs<sup>1</sup>:

- **Customization:** customers are looking for customizable contracts that fit their specific needs. A customized offer provides an optimal price-quality ratio.
- **Trust:** customers want their insurer to get to know them better, so that they can build a trust relationship.
- **Digital:** customers want their insurer to provide them with efficient digital tools. A digital service offers more simplicity, more efficiency, but also more transparency.

Ethias meets these needs with a **Customer Satisfaction** approach by constantly improving its products, services, digital tools and by getting closer to the customers.

In view of the results, this approach seems adequate.



Studies conducted in 2018 show an **overall satisfaction rate of 92 %<sup>2</sup>**



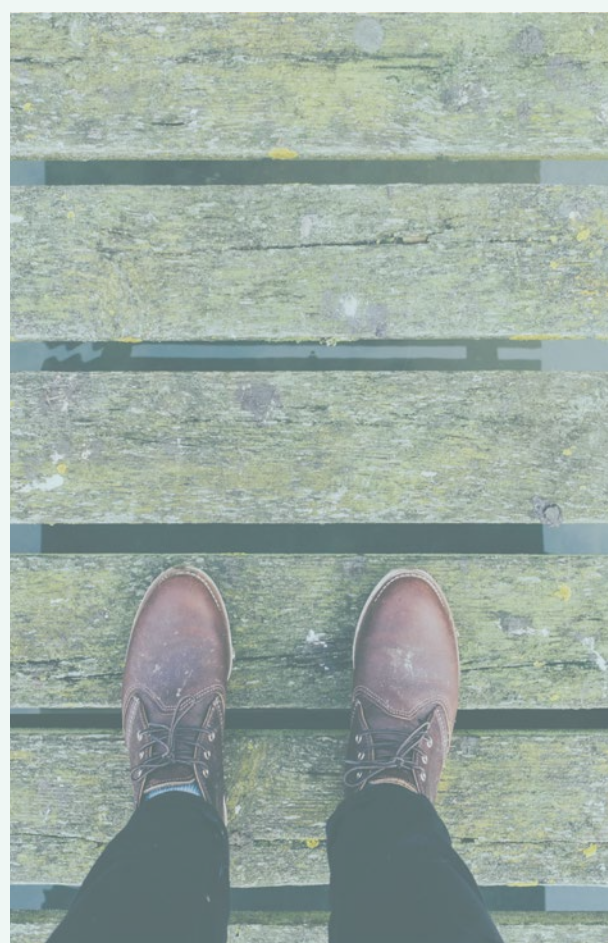
After contacting Ethias, **2 out of 3 clients would recommend Ethias to their family and friends.**



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

<sup>1</sup> **Source:** study "Consumer Needs" by external partner, October 2018.

<sup>2</sup> 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. 2018 sample: 19.613 customers.



## PRÉVENTION

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 and beyond compensation, Ethias undertakes multiple actions in prevention:

- **Advice**
- **Tools**
- **Applications**
- **Trainings**
- **Preventive mental support**
- **Professional reintegration**

Ethias also provides **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 information** (cyber-risks)



### Some prevention services

**IRM Prévention:** free service for local administrations for sending 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:** app providing 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 raising awareness among fleet managers and beneficiaries of a vehicle and implementing an appropriate prevention policy.

On our website for Insured bodies = online publications Insurance Product Information Document, a news blog (prevention, retirement, finances...) awareness-raising video clips and testimonies from clients helps building a relationship with them while remaining attentive to their needs.

- 5 tips for more exercise at work
- Road risk prevention
- Preventing traffic accidents near schools
- Household help safety
- ATEX, risk assessment to prevent explosions
- 10 tips to prevent battery fires
- What costs can be cut by investing in prevention?



## BLOG

A blog is dedicated to prevention on the Ethias website:

[www.ethias.be/blog-fr](http://www.ethias.be/blog-fr)

## DIGITAL

For 20 years, Ethias has been strengthening its leading position in digital technology through e-commerce & services that are constantly evolving and fully integrated into its direct distribution model.

**This is the fastest way from consumer's needs to the immediate answer of the expert online.**

It is no coincidence that Ethias is the first Belgian direct insurer to offer no less than **10 insurance products that can be fully subscribed online, including payment.**

- Ethias Assistance Family
- Ethias Assistance Car & Family
- Ethias Assurance Home
- Ethias Assurance Tenant
- Ethias Starter Pack (Home + Family)
- Ethias Civil Liability Family
- Ethias Annual Travel Cancellation
- Ethias Temporary Travel Cancellation
- Ethias Insurance All Risk Luggage
- Ethias Insurance Digital Omnium

**1996**  
First static web page  
**1997**  
Birth of the extranet  
**2000**  
Online offers and contract requests  
**2002**  
MyEthias  
**2005**  
Car claim declaration  
**2007**  
Fire claim declaration  
**2008**  
Matthias, virtual assistant  
**2010**  
My Ethias website, customization  
**2012**  
New version of MyEthias  
**2013**  
App 24/7  
**2015**  
New website with online signature and payment  
**2016**  
Prise de rendez-vous en ligne  
**2017**  
My Ethias Health Care, AssurKiné and AssurPharma  
**2018**  
Client Space and E-billing

**New features and services are introduced each year to make the life of the customer easier. A few recent examples:**



Ethias launched **myethias Health Care** in 2017, a free and secure online service that allows clients' employees and their family members to 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 Pension Corner** is an online platform specialised in pension-related information.

Since 2018, customers can choose their billing preferences: **online billing, direct debits, Zoomit...**

The **brand new customer area** also allows them to request duplicates of their contracts, invoices or their green card.



The offer procedure for a car policy is **more efficient and easier**: customers know directly how much their insurance is going to cost.

From 2019, **car policies can be directly purchased online.**

From your customer space, you are now able to **update your personal data, visualize all your contracts, deal with your work accident case or contact your claim manager.**

In 2019, **Mathias** will be there to help users on their **smartphone** (Mobile First).

**On the B2B side, Ethias Connect** provides an even more secure access to the management of collective contracts: the invoicing app allows you to consult and manage invoices and will soon be upgraded with new features.



**Ethias places the customer experience at the heart of its concerns and digital is an opportunity to constantly improve and expand our range of products and services while remaining in line with the expectations and needs of our customers (Simple - Efficient - Human).**

## 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 COMPLAINT MANAGEMENT

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

Any interested party – 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 online form
- By email
- By post

**A Complaint Correspondent will review the file objectively** and send it to the complainant within 20 working days of receiving the complaint. If this deadline can't be met, the complainant will receive a detailed letter.

An annual report on complaint management is produced each year

When we analyse the complaints sent to the independent non-profit association of the **Insurance Ombudsman**, we notice that only 5.7% of the complaints concern Ethias, whereas our market share is above 9%.

### PLAINTES INTRODUITES

The amount of complaints sent to our **internal complaint service** remains relatively stable. Comparing to 2016, we notice a decrease over 4 %.



1 512 plaintes ont été introduites en 2018, pour 1 348 en 2017 et 1 574 en 2016



# 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.

1 829

AT DECEMBER 31, 2018,  
THE COMPANY HAD  
1 829 EMPLOYEES  
(893 women / 936 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 / 2.1

In September 2017, the Human Resources Department (HRD) supported the Executive Committee in the construction, communication and operationalization of the new Ethias 2.0 structure. Then, in the summer of 2018, in a spirit of continuous improvement, the HRD assisted the Executive Committee in evaluating this new organization and the managers appointed to support our transformation. In September 2018, we closed the financial year with the implementation of the new 2.1 structure.

In order to support the new strategy 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 have been implemented since 2018. These transformations aim at shaping an inspiring and exciting environment for every employee. Our company regularly anticipates changes and is particularly flexible. We are already planning to transform this structure in 2019.



#### Overview of the main transformations:

- **Reward:** new compensation policy that is simpler, fairer and more unifying, aiming at paying every employee according to the market reference remuneration and valuing the individual and collective performance of each employee.
- **Performance Review:** new simplified evaluation process for more dynamism, objectivity and speed.
- **Flex@Ethias:** the cafeteria plan allows the employees to customize their salary packaging according to their own needs. This packaging includes CSR-related items: donation to charity (11.11.11), purchase of a company bike, medical check-up.
- Since the implementation of our new compensation policy, each employee is entitled to variable compensation, in the form of a collective and individual bonus.
- The **Homeworking project** aims at the 4 following targets:
  - » **Overheads reduction**  
Space optimization.
  - » **Attractiveness.**  
In the midst of the current war of talents, many companies have allowed home-working in order to appeal to Millennials. Nowadays, more and more people are allowed to work from home.
  - » **Reduction of carbon footprint.**  
This approach is part of a broader transportation plan (less time spent in the car).
  - » **Business Continuity Management.**  
Home-working makes the emergency launch of the Business Continuity Plan easier.
- **Talent Management policy**

#### Talent Management Policy

Talent Management policy had also been implemented in 2017 and formalised in 2018.

711

711 EMPLOYEES RECEIVED TRAINING  
for a total of 19 896,62 hours.

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.

#### Bootcamps

In 2019, we will organize 4 boot camps with teams working together on the following topics: transport, health, customer satisfaction and time-to-market.

Simultaneously, HR is working on 6 management skills:

- Inspiring Leadership
- Compelling Communication
- Enabling Change
- Intellectual Agility
- Adaptability
- Business Minded

467

467 INTERNAL JOB CHANGES  
(including the reorganisation of Ethias 2.0) have been implemented thanks to the talent management policy in order to better meet the needs of Ethias and its clients.

#### Digital Learning

Our employees and managers have high expectations when it comes to training. This is all the more true as our businesses evolve considerably, as new technologies impact on our businesses and as internal mobility is constantly developing. In order to optimize the offer and access to training, a new platform is coming in 2019. It provides better information regarding the training offer, simplify day-to-day management and make our colleagues more responsible for their employability. Finally, it will strengthen our training offer for new employees as for older ones. For these reasons, we will launch and promote the Ethias OnLine Academy.



#### Ethias Young Talent

Besides, HR launched the "Ethias Young Talent" program to meet current and future challenges.



HR launched project built in different phases to promote the job of manager among our young people, to identify and select young talents, to ensure their development and, subsequently, to activate these skills.

Selected talents will take part in a coaching program called "leadership 2.1". Besides preparing the next generation of managers (developing the skills of our young talents and giving them visibility) this approach also has many advantages:

- Stronger skills and sense of belonging of employees (career perspective)
- Cultural evolution to encourage emulation
- Creation of a transversal community
- Gathering resources to create useful initiatives for the company and our customers, in line with our strategy

#### Onboarding process

Studies show that a successful welcome has an extremely positive impact on the quality of the relationship between the employee and the company. Our priority is to make the onboarding process more professional. In 2019, we will launch a procedure and an app for new recruits. This will enable us to provide qualitative information to the selected candidates, to ensure that optimal working conditions are in place from day one and to regularly measure the quality of the integration of new employees.



### 3.3 DIVERSITY

In 2006, Ethias adopted an internal diversity charter.  
In 2007, this approach earned the company a Diversity label.

This Charter bans all forms of direct or indirect discrimination and favours a proactive mindset (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). Diversity covers several aspects: man/woman, abled/disabled, ethnic and cultural diversity...

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

97

97 RECRUITMENTS IN 2018

43 women and 54 men

#### Diversity has translated into many concrete actions:

- **Intergenerational dynamics:** solidarity between generations (portraits of employees aged 50 and over that were published on the intranet, a «45 Plus Day»)
- **Onboarding and supporting new recruits** in order to pass on the corporate culture and promote integration

#### Diversity covers many aspects:

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

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

- **Care4 Vitality** (support for people at the end of their careers): these workshops help our older employees (enrolled in the End-of-career plan or non-active and all other staff members older than 58) to plan their departure through an End-of-career plan or (early) retirement. A survey was sent to the target group to know more about their expectations and interests. Based on this bottom-up survey, the social cell and the CSR team designed four half-day workshops. Based on this bottom-up survey, the social cell and the CSR team designed four half-day workshops to support as best as possible the participants to become "inactive". In 2018, 15 people took part in these workshops (7 in Liège and 8 in Hasselt). They were given a detailed textbook that they are free to read at any time.
- **Organisation of working time and end of career**
- In 2015, **Flexitime** (flexible working hours) was applied more broadly, for a better work-life balance. Flexitime also impacted transport: depending on the requirements of the services, some employees can avoid rush hour while remaining available for our customers.
- **Duo for a job:** this mentoring project creates an exchange across generations and cultures to help young people to get a job while highlighting the value of older employees. In Belgium, the activity rate between 55 and 64 is among the lowest in Europe (48.8%). Duo for a job allows older people to share their experience, to be a part of a professional network and a community that shares the same values for society. The cross-cultural and intergenerational dimension of mentoring is one of its strengths.
- **Be Face:** network of companies pooling their resources to promote the social and professional integration of vulnerable groups through training and sponsorship. This non-profit is mostly working in Brussels but is coming to Liège this year, in collaboration with welfare centres and the city of Liège.
- **Passwerk:** Passwerk is a unique concept, a unique company with unique people. Passwerk combines its business with a social dimension and offers this as an added value to its customers. Passwerk is on the "convergence market". The Passwerk organisation adapts to the profile of its employees and not the other way round. The employees, the results and the development of its employees are at the heart of Passwerk. Passwerk employs the qualities of people with autism spectrum profile (ASP), with normal ability, in software testing activities. Through the professional management, by means of job coaching, the restrictions of employees with ASP are overcome.
- Internships are provided to bachelor and master students. Ethias works with several schools to provide internships for students attending schools from the Flemish special education network (Buso) and from vocational schools for students with special needs.
- **YouthStart** is a non-profit aiming at boosting the self-confidence of young people looking for opportunities and at helping them making their dreams come true. Youthstart encourages young people by helping them setting up their own business plan. Every participant has to present their own plan on certification day. Training sessions are given by outstanding trainers in an unconventional way. They come from the corporate world and want to share their passion and experience. The involvement of employees contributes to the professional integration of young people. Result? Over 80 % of our former students are going back to school or to work after their training. Some even start their own business! In 2018, Ethias entered into a three-year partnership with YouthStart to financially support their activities.
- **Mentor2Work** is job project from the Forum des minorités. Finding a job can be tricky for immigrants. Despite their qualification and relevant experience, they encounter many difficulties in their job search. The diversity of society must be reflected in the workplace. The Forum des minorités wants to increase the chances of job-seekers with an immigration background. They connect job seekers with mentors to strengthen them in their job search. In 2018, Ethias asked its employees to become involved as mentors. Three people have made this commitment. These colleagues participated in admission interviews and mandatory training in 2018. When the Forum des minorités finds the right match, the persons involved will be informed.

### 3.4 CHANGE MANAGEMENT

**Our activity:** Accompany the changes resulting from «business» projects (with emphasis on strategic projects) at the human level in order to maximize the chances of success of the project by ensuring that the employees involved understand why these changes are taking place, that they have the necessary tools and training to apply them, while anchoring them in the organization.



For this purpose, we use a change methodology to give structure to these changes and integrate them into the project management.



11

11 DUOS WERE FORMED IN 2018

as part of the Duo For a Job and Be.Face initiatives

3.5 OPERATIONAL EXCELLENCE FOR EVERYONE

L'approche est centrée sur le service au client.

This customer-oriented approach focuses on the following items:

- **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 take on current and future responsibilities.
- **Stimulating the mindset,** 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 2019, with the objective of extending operational excellence throughout the company.

Achievements in 2017-2018

Since April 2017, we have worked on 5 waves in the Support departments in order to redistribute 10% of the workforce in the Business and one wave in the Business in order to boost the existing ExOp practices.

By the end of 2018, we covered about 25% of the organization. We went through 16 teams and supported 430 employees in these new ways of working.

2017-2018 Support

- ✓ Digital Information Management
- ✓ Administration
- ✓ Communication
- ✓ Taskforce Staff Canteen
- ✓ Risk Management
- ✓ Finance
- ✓ Actuarial Control
- ✓ IT
- ✓ Vendor Management
- ✓ Facilities
- ✓ HR
- ✓ Accounting
- ✓ Strategic Planning & Controlling

Reboost Business

Since September 2018, we are reboosting the business.

3.6. RE-ENCHANTMENT PROCESS



In 2017, a re-enchantment process was initiated within the company to promote well-being and a sense of belonging to the company. In 2018, there were various actions taking place such as Casual Fridays (more casual dress code on Fridays throughout the summer, breakfast at the company restaurant, etc.), team-building activities, bike-to-work days.

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

3.7 PREVENTION OF PSYCHOSOCIAL RISKS

Since 2017, managers have been trained on burnout prevention. At Ethias, there is an ongoing analysis of psychosocial risks.

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.

Taux d'absentéisme	2017	2018
Short-term absenteeism rate for sick days	2,59 %	2,36 %
Long-term absenteeism rate < 1 year	1,77 %	1,63 %
Long-term absenteeism rate > 1 year	1,73 %	1,30 %



2 additional AEDs (automated external defibrillators) were placed in the Ethias buildings in 2017.

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 personal issues, ensuring a follow-up, accompanying people suffering from long-term illnesses (visits and contacts) and facilitating their reintegration when they get back to work, organizing blood drives, etc.

76

76 PEOPLE WERE TAKEN CARE OF (24 in Hasselt, 52 in Liège and 118 interviews in total)

PERSONS OF CONFIDENCE

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

80

80 PEOPLE HAD AN APPOINTMENT WITH OUR PERSON OF CONFIDENCE (35 in Hasselt and 45 in Liège)

FIRST AIDERS

About fifty trained first aiders are located throughout the company. They provide first aid in case of illness, injury, etc. Each year, they follow a refresher training in first aid.

81

IN 2018, 81 PEOPLE WERE TAKEN CARE OF BY THE FIRST AID TEAM (18 in Hasselt and 63 in Liège)

During the summer of 2018, articles on first aid were published on the company's intranet (stroke detection, burns, wounds, poisoning, etc.).

264

264 PEOPLE WERE VACCINATED (free of charge) against influenza (137 in Hasselt and 127 in Liège)

343

343 BLOOD DONORS



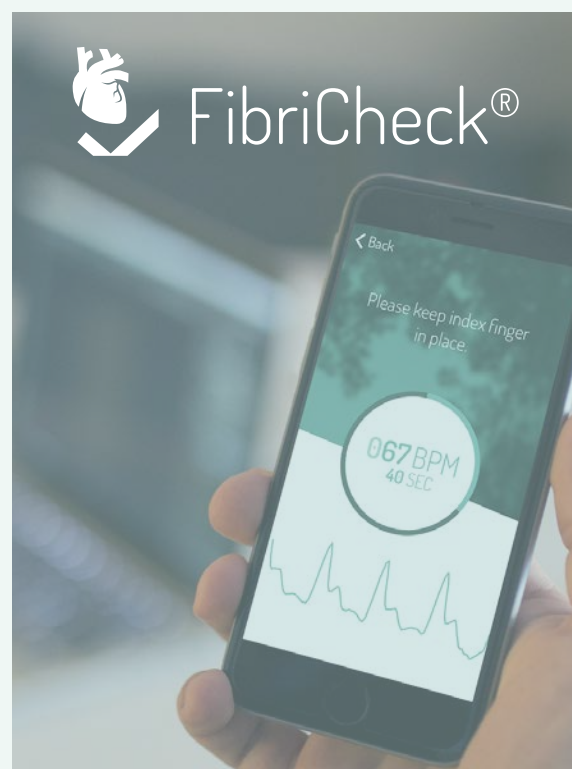
### FibriCheck

FibriCheck is a medically certified screening and monitoring mobile app on prescription for the detection of irregular heart rhythms, including atrial fibrillation. User-friendly: it only requires you to place your finger on the camera of your smartphone to measure your cardiac rhythm. All the information is automatically shared with a medical professional in order to get a faster diagnosis, resulting in an adequate treatment plan.

We are therefore proud to be the first Belgian insurance company to be part of a campaign with a partner that has placed Belgium on the map of the medical world!

FibriCheck's preventive framework is perfectly in line with Ethias' corporate vision.

This application was made available for free for our customers and employees for 7 days, so that they can measure their cardiac rhythm anywhere and at any time. A total of 1.890 people used FibriCheck. With those actions, we show our customers and employees that Ethias intends to be one of the major players in the field of prevention.



### Impulse

In order to prevent burn-out, a pilot project has been launched in Hasselt in collaboration with the Impulse music school. A total of 21 employees participated. Many people may have already taken music lessons when they were younger or dreamed of playing music. Unfortunately, this is often not compatible with busy work schedules, family, children's activities... With Impulse, Ethias wanted to solve this problem with a positive employer-employee relationship. Thanks to music, employees have the opportunity to clear their heads during their lunch break and forget all their worries. Ethias provides a nice and cozy space and Wi-Fi. Impulse hires teachers and brings the instruments. They don't follow the classical way of renowned music schools: each employee receives an individual program of lessons based on their own abilities and interests.



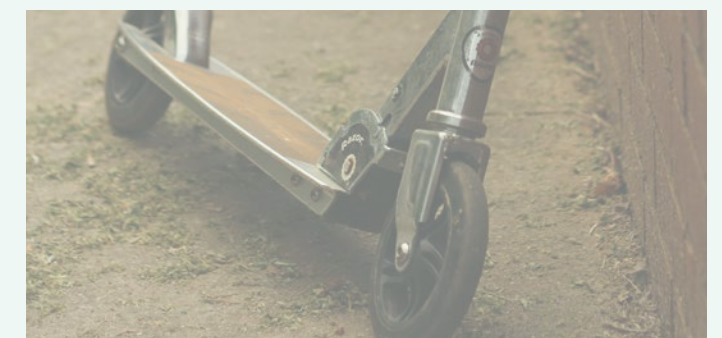
### 3.8 EMPLOYEE ASSOCIATION

The Employee association was founded in 1959 and has 6.630 members (active colleagues and retired staff, their partner and children). People are more efficient when they feel good at work, that's why the Employee association works hard to maintain and improve the friendly relationships between colleagues. To do so, the association organizes each year many cultural and sports events.

#### 2018 overview

- 947 colleagues are active members of our sports teams.
- Each year, 400 kids take part with their parents in the 2 Saint Nicholas celebration days in Liege and Hasselt.
- 255 went to Pairi Daiza.
- 130 took part in the annual "Rallye Fun".
- 142 went to the Christmas Afterwork (Liège).
- 177 kids took part in special events (Kids@Work – Easter egg hunt).

In Liege as in Hasselt, our friendly committee is always there for our colleagues.





3.9 INTEGRITY

Our company’s business is founded on strong values which guide our work, organization and pol.

Integrity lies at the heart of these values and must lead all of our actions and decisions.

This is how we build the trust of our stakeholders and protect our credibility and reputation, which are key factors for our success.

INTEGRITY

The integrity policy includes the internal and external rules of conduct that apply to the company’s employees and provides a reference framework to guide each of their actions, inspire their choices and bring the company’s values to life on a daily basis.

It was entirely revised in 2018 and approved by the Board of Directors on January 24 2019. Awareness around this policy will be raised throughout 2019.

UNITED NATIONS GLOBAL COMPACT

Since 2006, Ethias is a member to the United Nations Global Compact and renewed its 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 co.

Labour rights

The following four principles relating to labour law are concretely applied in

- the Social Ethics Code;
- the Ethical Investment Code;
- contracts between Ethias and its suppliers.

SOCIAL-ETHICAL CODE

This code recalls the company’s values and commitments, including the basic principles of the International Labour Organisation (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.





### 3.10 PROTECTION OF THE ENVIRONMENT

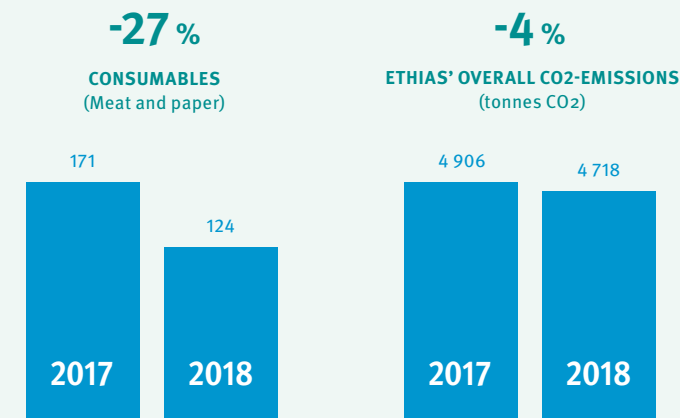
#### ENVIRONMENTAL GOVERNANCE

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 CO<sub>2</sub> 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.

#### REDUCTION OF CO<sub>2</sub> EMISSIONS

When measuring its carbon footprint by CO<sub>2</sub>Logic (every two years), Ethias was able to demonstrate the following:



In detail, the actions undertaken in 2012-2013 continue in 2018:

- 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 the company CO<sub>2</sub>Logic, we measure the carbon footprint resulting in proposals for actions to reduce our footprint. From 2018 onwards, the carbon footprint will be measured each year (previously every two years).
- Partnership with bpost for the CO<sub>2</sub> compensation of postal mailings;
- Modernization of production equipment and management of heating/air conditioning.
- Implementation of corrective and innovative measures in order to reduce our emissions (installation of energy metering modules, presence detectors).

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

- Reduction of CO<sub>2</sub> emissions
- Waste reduction
- Responsible suppliers
- Mobility

Ethias worked on the following issues:

#### WASTE MANAGEMENT

- Management of waste, packaging and used consumables. In 2018, we launched a pilot project for the collection of hand paper towels. This test turned out to be a success and we should be able to get rid of one of our waste dumpster. Green paper is sent to the production factory SCA in Holland where it is reused to produce recycled toilet paper (we have come full circle).
- Order of “Cradle to Cradle” certified chairs - 90% recycled - QUALITY OFFICE Certification
- Quantifying the reduction in consumption (energy, water, paper, waste): 15.8 tons of paper and cardboard were recycled in collaboration with the non-profit organization Terre.

#### Ethical, sustainable and local choices

- Management of suppliers in accordance with ethical standards and with sustainability and proximity criteria
- Donation of 80 desks to charities
- Giroflex (office chairs) certified ISO 9001 and ISO 14001
- Order of furniture with Certificates, ISORecyclage of electrical and electronic materials via Sofie srl-cls
- New range of CO<sub>2</sub>-neutral ink pads
- Implementation of a «slow food» policy in staff restaurants: 131.109 meals were served in 2018
- Local suppliers adhering to the Ethias food charter and sustainable labels / sustainable agriculture / organic farming. Our company restaurants favour local, seasonal products from a sustainable and environmentally friendly cultivation. It aims at «zero waste» by implementing a system that allows the employee to order their lunch the day before.

#### RESPONSIBLE SUPPLIERS

Since 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) such as:

- prohibition of child labour;
- respect of 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 was 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). Materials used for furniture and construction/renovation are either recycled or recyclable. A framework contract was signed with an architectural design business to develop this environmental spirit.

A new Concept Store opened in 2018 and an office was renovated. Opening of 4 new Concept planned for 2019.



#### Purchases

- Definition of selection criteria for suppliers (proximity, sustainability criteria, ethical standards, ILO, etc.)
- Ethias' purchasing policy 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).
- 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 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.
- Once a year, Ethias orders to Nekto, Oxygen+ or Buy-Aid in order to support these organizations. Associations promoting adapted work for people with a mild mental, motor or sensory disability or organisations such as Unicef or Child Focus.

## MOBILITY

CO<sub>2</sub> 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 promoting cycling as a commuting alternative. End 2018, Ethias has been awarded for 3 consecutive years the 5 stars label “Tous Vélos actifs” as well as the “integrated cycling policy” badge. Over 6-year period, the number of daily cyclists at Ethias has increased fivefold (11.6 % of the staff in 2018).
- 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 one electric bike). 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 organizes The Bicycle Spring and offers bike commuters free maintenance/overhaul of their bikes: an important preventive measure for an insurance company.
- In early summer, a Bike to Work day was organised by the Employee association and the restaurant. On that day, over 50 employees had a picnic in the Parc de la Boverie.
- In 2018, 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 Walloon Mobility Managers Network.
- Since 2008, the company applies an environmental measure to its company vehicles: a carbon emission limit rate has 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 2018, 84 076 kilometres were covered, which symbolically represent 17 tons of CO<sub>2</sub> being saved.

A carpooling project is coming in 2019: the carpooling policy will be more flexible so that more employees can give it a try and enjoy the tax benefit. The Taxistop – Common has been selected.

Ethias' mobility policy is not settled 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 2018, 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.



## 3.11 SPONSORING

Ethias has a long-standing sponsoring policy. **Its main goal is to translate the company's values into actions.**

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 organisations;
- **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 bans any sponsoring activities that could link its name to:

- doping
- corruption
- violence
- racism
- incitement to hatred
- addiction
- Discrimination based on race, sex, age, sexual orientation or belief (homophobia, antisemitism, islamophobia...)

Any organisation violating morality or public order is also banned.

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 or economic situations.



- **Mnema (la cité Miroir):** an education centre for tolerance and citizenship.



- Preventive actions by the Vlaamse Stichting Verkeerskunde, the Red-Cross of Belgium and its emergency vehicle driving simulator, Fédémot, Apper, the AWSR.



- **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).**



## 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 ETHICAL INVESTMENT CODE

This code has existed since 2005 and is reviewed annually since 2012 with the help of an external partner. It 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 blacklists of two kinds of investments: shares and corporate bonds and government bonds.

- **Blacklisted companies**: 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 or that are involved in controversial weaponry or in thermal coal.
- **Blacklisted countries**: two concepts are used for government bonds.
  - » Countries with **beneficial taxation** as referred to in the 1992 Income Tax Code.
  - » 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

### INVESTMENT WITH ENVIRONMENTAL, SOCIAL AND SOCIETAL IMPACT

Ethias claims its place inside the social economy and provides reception structures, social economy funds (Netwerk Rentevrij, Carolidaire), scientific research funds, etc.

Ethias holds financial participations in the following fields: social loan companies, housing companies, microfinance institutions (Incofin, Impulse Microfinance), active support to associations and alternative finance institutions.

Ethias has also established privileged relations with companies in that particular sector.

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 is certified “**Ethibel Excellence**”. 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
- **Epimède**: fund investing in the private, unlisted capital of technological SMEs with growth potential. The main sectors are biosciences (biology, biotechnology, and medical technology), engineering sciences (new information and communication technologies, clean technologies) and business services.

#### 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 MedTech sectors (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 ageing population, increasing chronic diseases, rising health care costs and increasing demands for quality information from patients.



#### Environmental investments

As responsible investor, our duty is to play a part in the energy transition into a low-carbon economy.

##### Green bonds and infrastructure funds

Green bonds are issued by a company or public entity (international agency, State, local organisations...) to finance projects, assets or activities with an environmental benefit. As of 31 December 2018, Ethias had an outstanding amount of 110 million worth of green bonds.

Ethias also holds shares of infrastructure funds investing in renewables (wind, solar, biomass), public transport, energy efficiency...

#### Passive and sustainable real estate

- **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.
- **BDO’s** new headquarters (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).



## 5. CONCLUSIONS

### 5.1 SCOPE OF THE REPORT

This report describes Ethias' social, societal and environmental situation in 2018, as required by Directive 2014/95/EU, and complements the annual report.

In several areas, the collection of information enabled to identify areas for improvement which were integrated into the company's corporate social responsibility strategy as objectives for 2018 which will be further developed in 2019.

### 5.2 PRINCIPLES OF THE REPORT

The information presented in this report has been provided and approved by the main managers of the areas covered.

It has objectively described Ethias' activities and commitments for many years, especially since 2017, when the non-financial report became a legal requirement.





5.3 MEMBERSHIP

In 2018, Ethias renewed its membership to the United Nations Global Compact (became a member in 2006). The Global Compact remains fully integrated into the company’s strategy.

10 UN PRINCIPLES Companies were encouraged to:	ETHIAS’ ANSWERS
Promote and respect the protection of international human rights law	<ul style="list-style-type: none"><li>• Joint Ethics Committee</li><li>• Integrity policy (new policy in 2019)</li><li>• Social-Ethical Code</li><li>• Ethical Investment Code</li></ul>
Ensure that they are not complicit in human rights violations.	<ul style="list-style-type: none"><li>• Signing of an ILO convention by all suppliers</li><li>• Ethical Investment Code (new 2018 version)</li></ul>
Respect freedom of association and recognize the right to collective bargaining	<ul style="list-style-type: none"><li>• Social governance</li></ul>
Eliminate all forms of forced or compulsory labour	<ul style="list-style-type: none"><li>• Signing of an ILO convention by all suppliers</li></ul>
Contribute to the effective abolition of child labour	<ul style="list-style-type: none"><li>• Signing of an ILO convention by all suppliers</li></ul>
Contribute to the elimination of all discrimination in employment and occupation	<ul style="list-style-type: none"><li>• Diversity Charter</li><li>• Talent Management Policy</li></ul>
Apply this approach to environmental problems	<ul style="list-style-type: none"><li>• Environmental Governance</li><li>• Ethical Investment Code (new 2018 version)</li></ul>
Take initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"><li>• ISAE 3000 Financial Management</li><li>• CO2 balance (yearly since 2018)</li><li>• Mobility</li></ul>
Promote the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"><li>• Responsible suppliers</li><li>• Strategic choice of renovation</li></ul>
Take actions against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"><li>• Integrity policy (new policy in 2019)</li><li>• Ethical Investment Code (new 2018 version)</li></ul>







## 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.



[www.ethias.be](http://www.ethias.be)