

# **ANNUAL REPORT**

## **2021**

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ethias



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# Introductory word from the Chairs

Pandemic, floods, cyber attacks, storms, war... Shocks follow one another and tomorrow's reality will not be today's. Our role as insurer of the public sector and of more than 1.2 million private individuals is to support and protect the population by offering innovative coverage solutions and services adapted to the new risks.

**As you will discover in this report, all lights are green for Ethias to accompany this transition and to face the future in a serene and responsible manner. Thanks to its capacity for anticipation and resilience, Ethias closed the year 2021 with a satisfactory result, in line with its forecasts despite the complex context of 2021, while giving itself the means to solidly support its individual policyholders, the public sector, its partners and shareholders. Strategically as a Belgian player, Ethias has wanted to take the lead in the regional and federal initiatives of the four recovery plans on each occasion. It has helped the sectors most affected by the pandemic, it has ensured a remarkable and appreciated presence on site during the July floods and it has compensated, to date, more than 90% of the claims that have been expertised. This highly professional yet deeply human approach has earned Ethias a double recognition from the rating company Fitch<sup>1</sup> and the title of "Best Brand 2022".**

- As at 31/12/2021, the net result before transfer to untaxed reserves amounts to EUR 190 million.
- The Non-Life operating result amounts to EUR 200 million.
- In Life, the operating results stands at EUR 72 million.
- Overall income amounts to EUR 2.78 billion, i.e. an increase of EUR 49 million. This very good result exceeds forecasts and is attributable to both Life insurance and Non-Life activities.
- The Solvency II ratio stands at 178 %<sup>2</sup> after deducting the proposed dividend of EUR 105 million. A good result considering the particularly difficult context of 2021 with the pandemic and the summer floods. It should be noted that the ratio is calculated according to a standard formula without using transitional measures for technical provisions.
- Subject to the approval of the General Assembly, a dividend of EUR 105 million will be paid to our four shareholders (the Federal State, the Walloon Region, the Flemish Region and the cooperative society EthiasCo).

<sup>1</sup> In June 2021, the agency Fitch upgraded the IFS rating (*Insurer Financial Strength*) of Ethias SA from "A-" to "A" and from "stable outlook" to "positive outlook". A double increase which demonstrates Ethias' financial strength, good profitability and robust business model. The insurer has consolidated its very strong capitalisation, its low financial debt ratio (leverage), its strong operating performance since the execution of its multi-year action plan in 2018 and its very good solvency level.

<sup>2</sup> Annual solvency assessment at December 31, 2021.

Ethias believes that beyond economic performance, a company must integrate sustainability objectives into all its operations and activities. This commitment to society, which has been firmly anchored since the company's founding over 100 years ago, has been accelerated in 2021 with a new "Sustainability" strategy. This approach includes numerous initiatives in the three ESG areas: Environment, Social and Governance. We are also pleased to present to you our fifth non-financial report, which may be found in annex. It details what we undertake on a daily basis in each of these areas.

We are particularly proud of what we have achieved thanks to our unique business model, our values, the trust of our clients, the support of our shareholders, but also the unwavering commitment of the 4,300 employees within the group, whom we wish to praise for their courage and resilience during this truly exceptional period.

We wish you a pleasant reading and remain - together with all our staff - attentive to your needs.



**PHILIPPE LALLEMAND**

CHAIR OF THE EXECUTIVE COMMITTEE  
CHIEF EXECUTIVE OFFICER

**MYRIAM VAN VARENBERGH**

CHAIR OF THE BOARD OF DIRECTORS

# Management report

Ethias SA's Annual Report includes the management report and the annual accounts of Ethias SA prepared in accordance with the provisions of the Belgian Code on Companies and Associations and the Royal Decree of 17 November 1994 on the annual accounts of insurance companies and approved by Ethias SA's Board of Directors on 31 March 2022.

Unless otherwise specified, the amounts in this report are stated in thousands of euros.

Report of the Board of Directors of Ethias SA to the General Assembly of Ethias SA on May 18, 2022.

## 1. Key facts of 2021

### 1.1 Market conditions in 2021

2021 was the year of the rebound of the economy, the financial markets and inflation. Many indicators have moved closer to their "pre-COVID" level: GDP of developed economies, unemployment rates, stock market indices, credit spreads and commodities. Financial markets were buoyed by the success of the vaccination campaigns (mitigating the effects of the pandemic), the economic recovery and growth in corporate earnings. Thanks to the measures and aid deployed by the different states and governments, the impact of the health crisis has finally remained acceptable in most economic sectors.

The combined effects of the economy's reopening (creating tensions in supply chains), commodity price increases, budgetary stimuli and wage increases (especially in the United States) have caused a sharp rise in inflation. This increase in inflation was considered transitory in Europe and more structural in the United States so that the accommodative policy of 2021 by central banks was questioned. In particular, the central banks of England, Brazil and Mexico have initiated an increase in their key rates.

In the second half of the year, China saw its economic growth slowing. It is one of the only countries to have adopted a "zero-COVID" strategy (systematic regional lockdowns) and has had to deal with the financial difficulties of a large real estate company (Evergrande). The real estate sector represents a significant part of the Chinese economy and the risk of contagion to other sectors is not neutral. In November, the arrival of the Omicron variant, considered contagious but less severe than COVID-19, did not worry the markets for long.

Against this backdrop of economic recovery, government bond rates experienced volatility but ended the year 2021 with a consistent rise across the curve. As an example, the Belgian 10-year bond rate ended the year at 0.19% compared to -0.39% at 31/12/2020.

Economic growth, against a backdrop of accommodating monetary policies by the FED and the ECB, was favourable to equity indices: EuroStoxx50 (+20.99%), S&P500 (+26.89%), CAC40 (+28.85%), DAX (+15.789%), BEL20 (+19.02%), FTSE MIB (+23%), NASDAQ (+21.39%).

More specifically, cyclical sectors performed best: technology (+37%), banking (+36%), media (+30%), construction (+26%), automotive (+25%), luxury goods (+24%), and chemicals (+20%). Defensive sectors lagged: real estate (+1.26%), utilities (+3.56%), distribution (+4.38%). The only sector that performed negatively was the leisure sector (-9.28%).

### 1.2 The COVID-19 pandemic

In 2021, Ethias has pursued its four-phase strategy that was adopted at the beginning of the health crisis, namely the protection of its employees, its clients, the company and society at large.

With regard to employee protection, Ethias has continued to take care of the well-being of its employees by implementing various initiatives (psychological support, finding solutions for relatives affected by illness or worries about childcare during school closures, continuous and interactive communication...).

Ethias has also continued to take initiatives in favour of its B2C and B2B clients. In addition to extending coverages and granting payment delays, Ethias has also provided free Civil Liability and Bodily Injury insurance for all vaccination centres and has offered psychological support services to students, self-employed and small businesses insured with Ethias.

With regard to the protection of society, Ethias is involved in projects related to the economic recovery at both federal and regional levels and has been able to concretize its participation through the following initiatives:

- granting a loan to SRIW;
- participating as an expert in sessions related to the organization of project financing at the federal level;
- participating in the capital increase of Finance&Invest.Brussels;

- participating in a private placement for the German-speaking region;
- an investment of 80 million euros for the 4 public funds constituted by the Walloon Region, the Flemish Region, the Federal State and the Brussels-Capital Region. It should be noted that Ethias is the largest private contributor to these stimulus funds.

It is with the same mindset that Ethias has decided for 2022, beyond the extension of the free insurance for vaccination centers in Civil/Professional Liability and in Bodily Injury, on a number of additional measures to help the sectors most affected by the 4<sup>th</sup> and 5<sup>th</sup> waves:

- Education sector: a significant budget has been set aside to provide prevention kits to schools, as Ethias did in 2021 for the culture and sports sectors;
- Culture sector: granting of a 25% reduction on the fire insurance premium of the B2B policyholders concerned;
- Sports sector: granting of a 10% reduction on the sports insurance taken out by the Federations.

Ethias' investment in these various projects is important in terms of its values and the meaning it intends to give to its societal role. More than a mere investment in the financial sense, it is a willingness to take responsibility for meeting the needs of society, a principle rooted in the company's DNA.

### 1.3 Flooding

In the face of the disaster that shook many regions in July 2021, Ethias was keen to respond to the needs of its policyholders in distress. Hence, Ethias has:

- Directly provided an advance of 1,500 euros upon opening a claims file;
- Set up "mobile crisis centers" in charge of criss-crossing the most affected cities in order to go directly to the victims and proceed with the first administrative formalities;
- Offered numerous meals in several disaster-stricken cities as well as financial aid to the Red Cross;
- Strengthened its Claims Management Teams to speed up the processing of claims files and compensate policyholders as quickly as possible. As of January 19, 2022, nearly 90% of the B2C expertises have been closed.

Given the extent of the damage, the insurers and the Regions got together and signed an intervention protocol to share the burden. This protocol stipulates that once the claims payments exceed the insurer's double intervention limit, a "loan" is recognized as financial asset item per Region. This contains the claims payments attributable to the governments, i.e. the claims amounts paid beyond the insurer's double intervention limit without any counterpart in technical accounting. An estimate of the amounts borne by the governments that the insurer will have to pay after December 31, 2021 is recorded off-balance sheet.

### 1.4 Dividend distribution

At the General Assembly of Ethias SA held in May 2021, it was decided to distribute a dividend of 103 million euros to the shareholders.

### 1.5 An Executive Committee in line with its ambitions

In December 2021, the Executive Committee was strengthened and now includes new skills and new members. The Executive Committee saw the departure of two of its members. Benoît Verwilghen, Vice-CEO, has taken over the management of EthiasCo, and Cécile Flandre, having fully accomplished her mission as CFO, is now taking on other challenges outside the group. Following their departure, Wilfried Neven has become the new Vice-CEO and now assumes the key role of Chief Customer Experience Officer. He is in charge of the commercial development for all markets.

Nicolas Dumazy, Chief Strategy & Data Officer, is entrusted with developing the strategy of the Ethias Group as well as innovation and data. As his mission also includes corporate social responsibility, he strives to strengthen the ESG (Environmental, Social & Governance) aspects at all levels of the Group.

To accelerate the digital transformation, Izabella Molnar has been appointed as Chief Digital Transformation Officer. She leads the IT division and continues the transformation and digitization of the company.

As Chief Claims & Delight Officer, Luc Kranzen is now entrusted with the development of customer delight in all the Claims departments.

The Executive Committee is also being strengthened in terms of optimizing management control, expenses and budgets with the arrival of Maryline Serafin as Chief Financial Officer. Asset management is handled by Joris Laenen, who is also responsible for the development of the Life business as Chief Investment & Life Officer.

The function of Chief Risk Officer remains with Benoît-Laurent Yerna.

## 1.6 Increase in Fitch rating

In June 2021, the agency Fitch upgraded the IFS rating of Ethias SA from "A-, stable outlook" to "A, positive outlook".

This double increase demonstrates Ethias' financial strength, good profitability and robust business model. Through the upgrade of the insurer's rating, Fitch underlines that Ethias has consolidated its very strong capitalisation, its low financial debt ratio (leverage), its strong operating performance since the execution of its multi-year action plan as from 2018 and its very good solvency level. The ratings actions also consider the resilience of these factors during the COVID-19 pandemic.

The positive outlook reflects Fitch's view that the Ethias Group could achieve a combined ratio sustainably below 95%, while maintaining its very strong capitalisation and low financial debt ratio (leverage) over the next 12 to 24 months.

## 1.7 Conclusion of several partnerships

Ethias continues to strengthen its digital strategy with the conclusion of two new partnerships with online comparison platforms, "Voilà" and "Test-Aankoop-Verzekeringen.be", for the Auto product.

Furthermore, in order to meet a societal need, Ethias has entered into a partnership with DELA, the funeral care services specialist. Since October 2021, Ethias has been distributing the "Dela Funeral Provision Plan", a Life insurance policy from branch 21.

## 1.8 Group strategy

Ethias continues to implement its group strategy, which consists of further capitalising on the strengths and specificities of its subsidiaries (NRB, IMA Benelux, Ethias Services, etc.) in order to position the Ethias Group as a value generator group for all its stakeholders.

This strategy is based, on the one hand, on strengthening the dynamics of the Group's entities and, on the other hand, on a "beyond insurance" approach, i.e. evolving from an insurer's strategy towards a strategy of integrated services for the benefit of clients.

Within this context, Ethias Services SA (a 99.9% owned subsidiary of Ethias SA) has developed and marketed a series of new services (skills & psychosocial risk management, risk management, fire risk management, etc.), mainly for B2B clients as a first step. New services will be added as and when market needs are identified. In addition, digital acceleration, another pillar of Ethias' group strategy, is strongly supported by NRB (a 68.39% owned subsidiary), which is working on the development of numerous functionalities in favour of B2C and B2B clients (online opening and follow-up of claims, e-invoicing, e-documents, etc.). A second 100% digital insurance product is also being marketed: the co-housing insurance through Flora, Ethias' insurtech.

## 1.9 Best Brand Awards 2021

The Best Brands Awards 2021 were presented in April. Ethias came out on top in terms of "Share of Soul", i.e.

the insurance brand recognized for creating the strongest emotional and affective bond. This recognition reflects the human relationship that Ethias builds every day with and for its policyholders, which is more essential than ever in the current context. In terms of "Share of Market", Ethias is ranked third, just behind AG Insurance and KBC.

## 1.10 EcoVadis

EcoVadis, one of the leading CSR rating agencies, conducted a non-financial audit of Ethias, i.e. an assessment of the way Ethias integrates ESG elements (Environmental, Social and Governance criteria) into its operations. The scorecard is based on 4 dimensions: environment, social & human rights, ethics and responsible purchasing. With a score of 57, Ethias was awarded the silver medal, recording an 18% increase over last year and ranking in the top 25% of companies, above the sector average on all four dimensions.

## 1.11 DECAVI

For the third time, Ethias was recognized for its numerous solidarity initiatives related to the pandemic and for the second time for its societal commitment. DECAVI thus underlines the relevance of its commitments, its willingness to place the Human Being at the center of its concerns, but also its unique business model, as the 1<sup>st</sup> direct insurer standing alongside its private and public clients.

Furthermore, the quality of its products and services was once again rewarded as Ethias won **5 DEVACI Trophies** in Non-Life insurance in the following areas:

- Tenant Insurance;
- Family Insurance;
- Workers' Compensation Insurance;
- Innovation - Ethias Mobility & More;
- Prevention.

## 1.12 Youth Solidarity Awards

To fight poverty among young people, Ethias launched the **Youth Solidarity Awards** at end-2021. Through this action, Ethias encourages the Public Social Welfare Centers to introduce a project aimed at helping young people in precarious situations. No less than 130 projects were sent in by the end of January 2022! Eighteen projects will be selected by a professional jury and rewarded in the spring of 2022 with a 450,000 euros grant from Ethias. This action, co-created with the Public Social Welfare Centers, aims to strengthen Ethias' societal role, in line with our ESG ambitions.

## 1.13 Obtaining the "Top Employer Belgium" certification

Ethias has obtained, for the first time, the "Top Employer Belgium 2022" certification. This title recognizes the company's policy towards its employees and its HR practices. It particularly focusses on the company's initiatives in the areas of Well-Being, Work Environment, Organization & Change and Digitalization.



### 1.14 Publication of our 4<sup>th</sup> CSR Report, testimony to Ethias' long-standing involvement in Corporate Social Responsibility

Ethias has published its 4<sup>th</sup> non-financial report since the transposition of the European Directive 2014/95/EU into Belgian law. This report shows the extent of Ethias' commitment to Belgian society and presents the annual overview of its actions within the framework of Corporate Social Responsibility (CSR) in three areas: People, Profitability and Planet. In addition, there is an extensive chapter on its sustainable investment strategy and governance.

Ethias' approach is anchored in global concerns and its action plan focuses on 4 of the 17 SDG's developed by the United Nations: **poverty, health, climate and sustainable cities & communities** (SDG 1, 3, 11 & 13).

## 2. Analysis of the results of the financial year

The year 2021 recorded a net result of 190 million euros, i.e. a decrease of 6% compared to 2020. After withdrawals and transfer to untaxed reserves, the result to be appropriated amounts to 188 million euros.

Total premium income amounts to 2,779 million euros, i.e. an increase of 2% compared to 2020, thanks to an increase in the premium income of Life (+2%) and Non-Life (+2%).

### 2.1 Non-Life

**The result of Non-Life business amounts to 121 million euros.**

Income amounts to 1,404 million euros and increases by 2% compared to 2020. It breaks down as follows between the segments "Private Individuals" and "Public Bodies & Companies":

- Income for Private Individuals increases by 1% compared to 2020 and amounts to 596 million euros;
- Income for Public Bodies & Companies amounts to 809 million euros and increases by 2% compared to 2020.

The net operating combined ratio stands at 93% and remains below the 95% target.

The result of the Non-Life business has clearly decreased and is strongly impacted by the floods, partially offset by the good financial results and the absence of a major storm in 2021.

### 2.2 Life

**The result of Life business amounts to 102 million euros.**

Income at end-2021 is up by 2% compared to 2020 and amounts to 1,374 million euros, including 50 million euros in Private Individuals and 1,325 million euros in Public Bodies & Companies.

Income in Life Individuals increases by 19% compared to 2020 thanks to the new production in Branch 23.

Premium income for Life Public Bodies & Companies increases by 2% compared to 2020, mainly coming from the 1<sup>st</sup> pillar.

The good performance of the Life business in 2021 is explained in particular by the growth in operating results (mortality gains) and non-recurring financial income of 30 million euros. These good results made it possible to endow the provision for profit-sharing (net of taxes) with 42 million euros, mainly for ring-fenced funds from the 1st pillar.

### 2.3 Non-technical

The non-technical result before tax shows a negative contribution of 16 million euros, mainly due to the expense of subordinated loans and impairments on receivables. Tax expenses for the year amount to 18 million euros and benefit from the use of tax losses carried forward and deductions of income from innovation.

### 2.4 Changes in shareholders' equity and solvency margin level

After appropriation of the result, equity increases by 67 million euros to 1,528 million euros, compared to 1,461 million euros at end-2020, following a net profit of 188 million euros and the distribution of a dividend of 105 million euros.

The SII margin at end-December 2021, based on the standard formula, amounts to 178%.

## 3. Appropriation of the result

After withdrawal and transfers to untaxed reserves, the net profit for the financial year to be appropriated amounts to 188 million euros. After taking into account the profit carried forward from the previous year, the profit to be appropriated amounts to 562 million euros.

The following appropriation is proposed to the General Assembly:

- allocation to the statutory reserve; 10 million euros;
- profit to be carried forward: 448 million euros;
- remuneration of the capital (dividend): 105 million euros.

## 4. Assessment of Internal Control

The preparation of the report on the assessment of the internal control system is in conformity with the NBB circular 2015\_21 on internal control as well as with the COSO 2013 standards.

In terms of control environment, Ethias:

- pays attention to the respect of the integrity and the ethical values it enshrines;
- aims at reaching its objectives through a clear definition of its organizational structure and of the appropriate competences and responsibilities;
- shows its commitment to attract, train and hold competent co-workers in accordance with the objectives of its multi-year plan;
- reinforces for each of its employees the duty to give account of his internal control responsibilities.

In terms of risk assessment, Ethias:

- ensures a clear definition of the objectives assuring the identification and assessment of risks linked to its objectives;
- identifies the risks linked to the achievement of its objectives within the scope of its responsibilities and regularly analyses these risks in order to determine the appropriate management modalities for its risks;
- integrates the internal and external fraud risk in the assessment of risks that can compromise the achievement of its objectives;
- identifies and regularly assesses the changes that could have a significant impact on its internal control system.

In terms of controlling activities, Ethias:

- develops and/or reviews its controlling activities by means of guidelines which specify the objectives and procedures implementing these directives;
- selects and develops the controlling activities - including information technology general controls - that contribute to the maintenance or decrease of risks linked to the achievement of its objectives at acceptable levels.

In terms of information and communication, Ethias:

- communicates internally the information which is required for proper functioning of the other internal control components, more specifically by obtaining relevant and qualitative information;
- communicates with third parties on the points that may affect the functioning of other components of the internal control (shareholders, analysts, regulators, clients, suppliers, associations, etc.).

In terms of steering, Ethias:

- realizes permanent and/or punctual assessments to check if the internal control components have been developed and are operable;

- communicates, in due time, an assessment of the internal control's deficiencies to the persons responsible for corrective measures, in particular to the Executive Committee and the Audit and Risk Committee.

The internal control system is constantly evolving and has been strengthened by the recruitment of specific skills and the creation of an internal control department. In 2021, an internal control policy was developed.

## 5. Main risks (exposure and management policy) and use of the financial instruments<sup>1</sup>

### 5.1 Governance with regard to risk management

Good governance of an insurance company requires the setting-up of the following functions: Internal Audit, Compliance, Risk Management, Internal Control and Actuarial Function. These are not only independent monitoring functions but also governance functions. Their conclusions and advices are translated into measures to reinforce the management structure, the organization and the internal control system. These functions are structured in such a way that they constitute three "defence lines":

#### First defence line - Daily risk monitoring

The first defence line is provided by operational lines and support functions (Accounting, Asset Management, IT, Human Resources, etc.). It is their responsibility to identify the risks posed by each operation and to respect the procedures and limits set.

Ethias sees to it that every employee has a suitable understanding of the risks that are likely to threaten the correct fulfilment of the activities he/she is responsible for. Hence, each employee is responsible for the identification and the assessment of the risks that are incurred on an ongoing basis.

Furthermore, a network of "risk" correspondents within the operational lines and the support functions permits to benefit from the technical skills of the experts in the field, including complaints, operational incidents and GDPR.

#### Second defence line - Risk supervision

The second defence line includes the control functions of the Risk Management function, the Internal Control function, the Actuarial Function and the Compliance function, which are responsible for ensuring that the risks have been identified and managed by the first line, according to the rules and procedures envisaged.

These four functions depend on the CRO, who ensures the transversal coordination of the work and the adequate exchange of relevant information.

The CRO, who is a member of the Executive Committee, has to make sure that the structure of Ethias' risk management

<sup>1</sup> The Solvency and Financial Condition Report (<https://www.ethias.be/corporate>) provides further explanations on risk management.

is operational and has to improve its effectiveness and efficiency. The entities that are hierarchically answerable to the CRO assist him in his assessment of the company's risk profile, of its alignment with its strategy and risk appetite as well as in the identification of future risks.

This second defence line, which is independent of the first one, maintains a methodological framework and underlying processes that allow the control and the supervision of the implemented risk management structure. In the event of exceeding the risk profile wanted by Ethias, it can intervene at the operational level to initiate changes and to help the first defence line in resolving the problems.

Finally, in order to reinforce risk governance, Ethias' Executive Committee relies on committees dedicated to risk management: These committees are advisory and their recommendations are validated by the Executive Committee.

The role of the **Model Coordination Committee (MCC)** is to monitor and contribute to the compliance, within the risk framework defined by the Board of Directors, of all internal and regulatory standards for the development and use of internal quantitative models used by Ethias for, in particular, the management of its technical and financial risks and its asset / liability management.

The mission of the **Insurance-Reinsurance Committee (IRC)** - in terms of insurance techniques, insurance contract management and reinsurance coverage - is to ensure that the business lines comply with the technical and commercial objectives and with the risk framework defined by Ethias' Executive Committee and Board of Directors. Hence, the IRC monitors the technical risks (profitability, reservation, risks) of the existing products, analyses the mitigation actions of the technical risks, analyses the modifications to existing products or the proposals for new ones and supervises the reinsurance programme. Efficient collaboration between the 1<sup>st</sup> and 2<sup>nd</sup> lines is to be highlighted, especially on files regarding underwriting (review of underwriting guides, Non-Life commercial strategy, monitoring of UFRs/CFRs, commercial dispensations, review of underwriting policies, provisioning and pricing, S/P balance, POG, risk appetite, etc.)

The **Assets and Liabilities Committee (ALCO)** has the task of contributing to the protection of Ethias SA in its liquidity, profitability and solvency aspects, through the alignment of the company's assets and liabilities.

The **Risk Management Forum (RMF)** is responsible for discussing risks, which are presented to the Audit and Risk Committee (and beforehand to the Executive Committee) in detail, so as to have a specific view of all the risks borne by the company. It is the forum for analysis of specific risks highlighted in the context of projects or activities in order to identify priorities, relevant mitigation measures and action plans as well as their target risk and to monitor their evolution in accordance with the Risk Appetite policy. It ensures:

- an efficient and transparent reporting of risks;
- the selection of the most important risks;

- the definition of action plans;
- the monitoring of already identified risks, especially in case of modification (deterioration) of these risks;
- to propose to the management bodies practical and pragmatic business guidelines in accordance with the risk appetite;
- to recommend to the Executive Committee the validation of the company's risk profile.

This body does not replace the Local Risk Forums, which are organized at the operational level and which enable action plans to be drawn up at team level.

Each committee is chaired by a member of the Executive Committee. The CRO is present in each committee dedicated to risk management. It was the willingness of the Executive Committee and of the Board of Directors to create "strong committees", so as to set up an effective risk governance within the company. It is also with this aim in view that the responsibilities of each committee have been clearly established by means of internal regulations.

### Third defence line - Independent assessment

The third defence line is provided by the Internal Audit, which assesses, among other things, compliance with procedures by the first and second lines of defence and, more generally, the effectiveness of the internal control system. To ensure its independence, this entity reports hierarchically to the CEO directly and functionally to the Audit and Risk Committee.

With regard to risk management, the Board of Directors of Ethias SA assumes ultimate responsibility for the effectiveness of the risk management system. To carry out its missions, it relies on the Audit and Risk Committee. The Audit and Risk Committee advises the Board of Directors on Risk Appetite and risk tolerance issues, analyses risk reporting, challenges the implementation of the risk management system by the Executive Committee, and verifies its proper application.

## 5.2 Risk appetite

Risk Appetite is the overall level of risk that the company agrees to take to meet its value creation objective. The Risk Appetite is a key strategic indicator of the risk management system. It must enable the company to achieve its strategic objectives while controlling the resulting risks. The company's Risk Appetite and its strategic objectives have to be consistent with each other. The Risk Appetite the responsibility of the Board of Directors. In practice, it is proposed by the CRO, validated by the Executive Committee and approved by the Board of Directors. The risk policies are the direct translation of the Board of Directors' view in terms of risk appetite. Similar to the strategic objectives that are translated into operational objectives, the Risk Appetite, as it has been approved by the Board of Directors, must also be translated into operational terms by means of policies. At its meetings in December 2021, the Board of Directors reviewed and approved Ethias SA's risk appetite.

## 5.3 Insurance risks

Insurance risk management is integrated in the company's management as follows:

1. In the Public Sector, policyholders do respect the guidelines that determine the limits with regard to subscription. These limits concern both the general and specific conditions of the contracts, the price setting and the degree of risk. They also determine the level of power that is granted according to the hierarchic level and the procedures to be followed, an "acceptance bureau" deciding at the operational level in the last instance. The Actuarial Function and Risk Management participate in the Life and Non-Life Acceptance Bureaus (AB).
2. For Private Individuals, the policyholders are subject to risk acceptance procedures that follow the hierarchical lines and to certain limits that are implemented in the IT systems.
3. The actuarial department and the reinsurance department determine the company's reinsurance needs. The treaties are reviewed annually according to the company's underwriting capacities and the requests from production.
4. Tariffs are established by underwriting actuaries and are submitted to the actuarial function for an opinion. The actuarial function also provides independent advice to the Executive Committee on the technical profitability of products.
5. The Insurance Reinsurance Committee follows the technical risks of the existing products, analyses the mitigation actions of the technical risks, analyses the modifications to existing products or the proposals for new products and supervises the reinsurance programme. It reports to the Executive Committee for validation.
6. Any new product as well as any modification to existing products are analysed beforehand under the following angles: marketing, legal, fiscal, profitability, ALM constraints, compliance... in accordance with the POG procedure (Proof Oversight & Governance).

### 5.3.1 Financial risks and investment policy

#### 5.3.1.1 Management of financial risks

The management of financial risks is integrated into the management of the company mainly through the following activities:

1. Investment administrators must abide by the investment policies, including the sustainable and responsible investment policy and the code of conduct. They must manage their positions in compliance with financial constraints and limits and strive towards the strategic asset allocation targeted by the company.
2. The Asset Management department is in charge of the day-to-day management of the investment

portfolio. It organizes tactical investment management meetings at appropriate intervals, where it is decided what actions to take, on the one hand, within the context of the above-mentioned constraints and, on the other hand, according to the guidelines and decisions emanating from the ALCO.

3. The ALCO has the task of setting out the guidelines for investments and to monitor the portfolios according to the investment policy approved by the Board of Directors.
4. The composition, performance and risks of the portfolios are monitored on a monthly basis through the Investment Management Dashboard.

The entire system is coordinated and monitored by the first defence line within the Asset Management department. The Risk Management department acts as a second defence line by ensuring rigorous and active monitoring of the various financial risks inherent in asset management.

#### 5.3.1.2 Investment policy

In 2021, Ethias has maintained the fundamental principles of its investment policy. We have continued to base our actions on the search for returns while controlling our risks, on rigorous ALM management, on our role as a benchmark investor supporting the development of the local economy, on the deployment of our responsible investment policy and on exemplary governance.

In terms of investments, the decrease in rates and bond spreads following the massive intervention by central banks has continued into 2021. This market context has led us to favour less liquid investments or other asset classes while remaining within the limits set by our investment risk management policy. As a result, our bond exposure has been slightly reduced, in favour of investments that are more uncorrelated with the volatility of listed markets, such as private debt, mortgage loans and real assets. Ethias also slightly increased its equity exposure by taking advantage of the influx of liquidities supporting the post-COVID-19 recovery. In terms of our investment property investments, we have increased our exposure to the logistics sector and slightly decreased our exposure to the nursing home sector.

In terms of financial risks, 2021 was marked by the partial exit from the COVID crisis with a better visibility on the risks generated by it. This year, we continued to identify the main risks that could have a significant impact on the performance of the investment portfolio. The impact of rising inflation on our insurance liabilities was particularly monitored. This risk was mitigated by increasing our position in inflation-linked bonds. Other risks (interest rate, spread, credit, real estate, liquidity, etc.) continued to be monitored specifically and, where appropriate, managed or hedged. Particular attention continues to be paid to market risks and their effect on the calculation of Ethias' solvency margin. The increase in the cost of capital related to investments is notably linked to the change in our target asset allocation. This increase is offset by the

value creation generated by our investments over the period. Although our investment portfolio is extremely liquid, the floods in July 2021 affecting Belgium led us to maintain a sufficient level of liquidity in the second half of the year while awaiting clarification on the compensation to be provided.

As a responsible investor, Ethias has for many years adopted a rigorous, ethical and transparent approach to the management of its financial assets. Since 2020, Ethias has aligned its exclusion criteria for all its portfolios with the “Towards Sustainability” standard, developed at the initiative of Febelfin, but has also become a signatory of the UN PRI. In 2021, Ethias reviewed its entire sustainable and responsible investment policy. Ethias has identified the main sustainability risks on which it focuses its efforts. We are implementing significant means to deploy our responsible investment strategy. This is done in particular through the Shareholder Engagement Policy, the Exclusion Policy and the selection of investments based on ESG criteria. Specifically, Ethias is committed to the fight against climate change through achieving carbon neutrality in its investment portfolio by 2050 at the latest. We intend to further strengthen our investments in sustainable activities, particularly in line with the European action plan (“EU Green deal”) and the Green Taxonomy. Finally, as an active shareholder, Ethias updated and published a voting policy and an engagement policy in 2021. In terms of engagement policy, Ethias has made strong commitments in 2021 by joining 3 collaborative initiatives, namely the Belgian Alliance for Climate Action, the Climate Action 100+ initiative and the Partnership for Biodiversity Accounting Financials.

Beyond the environmental issues, Ethias intends to play a major role in the Belgian economic landscape. As such, we have played a significant role in providing financial support for the stimulus plans that materialized at end-2021. Thus, we have subscribed to regional and federal initiatives to the extent of 80 million euros (total investment commitment divided between the Welvaartsfonds, Amerigo, Boosting Brussels and the Belgian Recovery Fund). In 2022, Ethias will pursue this approach by investing in Belgian infrastructure, equity investments or other opportunities to support the themes of mobility, health, the fight against poverty and the energy transition. Ethias will continue these investments with the aim of injecting new optimism and dynamism into the Belgian economy that is suffering enormously from the current health crisis. These actions will be carried out in accordance with our investment policy and asset allocation limits.

Finally, we have continued to strengthen our investment management and governance system. In 2021, Ethias has extended its selection and evaluation procedure for fund managers, particularly in connection with the development of Branch 23 products.

### 5.3.2 ALM risks

A quarterly ALM report allows to diagnose the asset-liability management and the liquidity situation and to propose the

necessary corrective measures. This report is analysed by the ALCO committee. The conclusions are presented to the Executive Committee which takes, if necessary, the corrective measures required and which determines the specific steering of certain identified risks. A summary report is transmitted to the Board of Directors.

The ALCO Committee's mission is to contribute to the protection of Ethias in its aspects relating to profitability, liquidity and Solvency II positioning. This committee is responsible for validating the strategies regarding ALM, investment, the investment risk and for assuring their follow-up, for validating the strategic asset allocation (SAA), for ensuring the consistency with the Risk Appetite.

### 5.3.3 Operational risks

With regard to operational risks, Ethias carries out different types of risk assessment, namely:

- operational risk assessment on activities;
- operational risk assessment on projects;
- operational risk assessment on new products;
- operational risk assessment on organizational changes;
- analysis of transversal operational risks impacting the achievement of the company's strategic objectives;
- analysis of information security risks and cyber risks.

The Executive Committee directly monitors the operational risk. It analyses and proposes guidelines for the corresponding mitigation/management measures in accordance with Ethias' risk management policy.

### 5.3.4 Reinsurance

Reinsurance lies within the control process of the insurance risks.

It also contributes to the improvement of the solvency ratio.

Ethias SA's main insurance risks concern non-life insurances, liability insurances (miscellaneous and motor vehicle), life/health insurances and (natural or human-caused) catastrophe risks on people and/or goods.

These risks are covered by means of reinsurance treaties and facultative reinsurance contracts for the risks outside the treaties' scope. The majority of these contracts are concluded on a non-proportional basis.

The reinsurance programmes are divided into three major parts: non-life insurances, liability insurances (miscellaneous & motor vehicle) and life/health insurances (occupational accidents and death/disability insurances).

Each year, they are reassessed to meet the needs of production taking into account the reinsurance market and to hedge the capacities required in the frame of Solvency II.

The price of reinsurance capacities was again on a downward trend, given the large capacities available.

There has been little change in reinsurance programmes between 2020 and 2021. On the whole, our reinsurance cost is stable.

## 6. Information regarding environmental and staffing matters

The non-financial statement is set out in a separate report annexed to this report.

## 7. Events occurring after the financial year was closed

### 7.1 Dividend

The Board of Directors of Ethias SA will propose to the General Assembly of May 2022 the payment of a dividend of 105 million euros.

### 7.2 Ukraine-Russia war

On February 24, 2022, Russia launched a massive military offensive against Ukraine. This worst-case scenario was underestimated by the financial markets and is now affecting risky assets in an increasing but differentiated way. At this stage, it is difficult to say what the outcome of this conflict will be as the situation is evolving day by day.

According to our current estimates, our investment portfolio is very resilient and the direct impact of the conflict in Ukraine on this portfolio should be relatively limited. Unrealized gains in equities should suffer in a differentiated way across sectors and issuers without changing our positioning on the issuers concerned. It should be noted that due to our exclusion policy, Ethias has little exposure to the energy sector. In corporate bonds, only one or two issuers active in gas transportation or distribution could be durably affected by this crisis, although a default risk has not been clearly identified at this stage. Finally, the credit spreads on bonds issued by countries bordering Russia are widening, but our exposure to these countries is limited and European financial solidarity rules out any risk of default on these countries.

To conclude, it is possible that this crisis will have indirect impacts on a number of positions. If this conflict becomes entrenched, it will have an impact on growth as well as on consumer and investor confidence within an increasingly inflationary environment. These indirect effects are currently being further analysed.

### 7.3 Storms

Belgium was heavily affected by storms during February 2022. After the storm “Dudley” passed over Belgium on February 16, 2022 creating significant damage, Northern Europe was again hit by a storm even more intense on Friday, February 18, named “Eunice”. It was particularly severe in the west of our country and along the coast line, with a gust of 133.3 km/h recorded in the city of Ostend. For these regions, it is one of the most violent of the last 20 years. A third storm arrived on February 20, called “Franklin”, with heavy showers and gusty winds, also causing several damages and disruptions

in transportation.

The impact of these three successive storms is currently estimated at 35 million euros before reinsurance.

## 8. Information on circumstances which may significantly impact the company's development

### 8.1 Regulatory developments - Solvency II

A revision, on a broader scale than previously known, of the parameters used in the calculation of the solvency requirement is envisaged for 2025. The European Insurance and Occupational Pensions Authority (EIOPA) had launched a consultation with stakeholders in the course of 2019 in order to identify the adjustments to be made in the calibration of the SCR in standard formula. These proposals aim at adapting the Solvency II regime to the market developments and to incorporate the practical experience gained during the first years of its application. A Stress Testing exercise was organized by EIOPA in 2020 to assess the impact of certain developments on companies. Based on these results, EIOPA has proposed to the European Commission in 2021 the transcription of certain measures into regulation.

Nevertheless, in order to best anticipate the impact of future regulatory changes on our ratio, Ethias participates in the working group of the Professional Union of Belgian Insurance Companies (Assuralia). In addition, Ethias carefully analyses the European Commission’s proposals in order to assess the financial and organizational impacts.

## 9. Research & Development

### 9.1 Innovation and product development

#### 9.1.1 Flora

**flora** by Ethias After a successful launch in September 2020 and an initial Tenant Insurance offering, Flora has distinguished itself by offering an innovative solution for co-housers in the fall of 2021. Flora, the first 100% digital Insurtech covering the entire insurance value chain in Belgium, is positioned as a complementary distribution channel for Ethias by targeting digital seekers.

#### 9.1.2 Development of products and services

Ethias continues its commitment to innovation in both products and services to best meet the needs of its clients and the general public. In addition to Flora (mentioned above), Ethias has also developed several innovative services by capitalizing on the complementary nature of the skills within its IT subsidiary NRB, its subsidiary IMA Benelux specialized in assistance services or its subsidiary Ethias Services:

- Home Services by Ethias: digital platform that enables

users (Ethias clients and non-clients) to order services for making small repairs or doing work in their house (various services relating to heating, locksmithing, sanitary fittings and plumbing, electricity, woodwork ...).

- Sharonomy: a downloadable smartphone solution that allows the client to send photos of their used vehicle and thus avoid the physical presentation of the vehicle before taking out property damage insurance;
- Assist On Demand: possibility of using a digital pathway to call for a breakdown mechanic when one does not have road assistance coverage;
- LibertyRider: a guardian angel application for motorcyclists, which is offered to all motorcycle insurance holders;
- Improvements to the customer experience (additional functionalities in the Client Zone and in Ethias Connect, a digital space dedicated respectively to B2C and B2B clients);
- In Health:
  - Ethias has started, in collaboration with Masana and several hospitals, a test programme of accompaniment and follow-up at home for patients with various pathologies;
  - Ethias is also partner of MoveUp in the development of its follow-up programme for bariatric surgery patients;
  - Ethias tested the service “Abi”, on a sample of several thousand people, a solution of first medical orientation by text message;
- For B2B clients, Ethias Services now offers:
  - a web and mobile mapping software, dedicated to the inventory and maintenance of playground spaces and equipment;
  - the EAP, an employee assistant programme that provides telephone access to a variety of services (professional and private);
  - individual psychological support, which was specifically aimed at students (during the lockdown) or the victims of the July floods, but which is also relevant in the context of work-related accidents or guaranteed income insurances;
  - a professional reintegration service following an accident or a long-term illness or burn-outs;
  - a cybersecurity service that allows companies to remedy a low level of protection against cyber risks;
  - fire risk audits and prevention measures to enable companies and public services to meet their legal obligations.

- All of these services are now available on a marketplace(<https://solutions.ethias.be/fr/>) that was launched in September 2021. The projects can be seen and are explained within our Ethihub showcase(<https://ethihub.be/fr/>)

### 9.1.3 Data Technology investments

Ethias is strengthening its Data programme initiated in 2021 through developments aimed at centralizing data in a single, governed environment to support the company's strategic data ambitions.

## 9.2 Technological developments

Ethias continues to strengthen its position as the n° 1 Direct insurer, the n° 1 Digital insurer and the n° 1 insurer for Public Bodies. In this context, we are pursuing our IT transformation programmes:

- Ethias' IT services are reinforced by a centralization at group level at our subsidiary NRB, with a new multi-year contract that allows us to establish a long-term vision with control of IT expenses while maintaining ambitious investments to support our strategic vision. An 'agile' approach is being launched to increase our overall agility.
- The "Century" programme has enabled the production of the new tool for managing Car and Fire claims.
- The “Digital” programme, which aims to offer Ethias' clients online services and innovative applications, has resulted in the creation of a new and modernized “Client Zone” that can be accessed via mobile platforms.
- Several partnerships have been materialized through standardized interfaces (API).
- In order to gain agility and responsiveness to the needs of our markets, we have started a programme to modernize all existing legacy applications..
- Ethias has deployed an action plan on data management, focusing on data quality, data governance and data exploitation to create value for our clients.

Through our innovation initiatives, Ethias also follows the latest technological developments in the market, with Flora as a flagship achievement.

Certain developments have been the subject of deductions in the context of tax incentive measures for research and development.

## 10. Governance<sup>1</sup>

### 10.1 Composition

#### 10.1.1 The Executive Committee

Name	Function
Philippe Lallemand	Chairman - Chief Executive Officer
Benoît Verwilghen <sup>[1]</sup>	Vice-President - Chief Operating Officer Life
Cécile Flandre <sup>[2]</sup>	Member - Chief Financial Officer
Wilfried Neven <sup>[3]</sup>	Vice-President- Chief Customer Experience Officer
Nicolas Dumazy <sup>[3]</sup>	Member - Chief Strategy & Data Officer
Maryline Serafin <sup>[3]</sup>	Member - Chief Financial Officer
Benoît-Laurent Yerna	Member - Chief Risk Officer
Luc Kranzen	Member - Chief Claims & Delight Officer
Joris Laenen <sup>[3]</sup>	Member - Chief Investment & Life Officer
Izabella Molnar <sup>[4]</sup>	Member - Chief Digital & Transformation Officer

[1] Until  
30/11/2021

[2] Until  
25/11/2021

[3] As from  
01/12/2021

[4] As from  
15/12/2021

#### 10.1.2 The Board of Directors

Name	Function
Myriam Van Varenbergh	Chair
Jacques Braggaar	Director
Marc Descheemaecker	Director
Kathleen Desmedt	Director
Philippe Donnay <sup>[5]</sup>	(Independent) Director
Olivier Henin	Director
Ingrid Loos	(Independent) Director
Claude Melen <sup>[6]</sup>	(Independent) Director
Marc Meurant	Director
Philip Neyt	Director
Anne-Marie Seeuws	(Independent) Director
Karl Van Borm	Director
Bruno van Lierde	(Independent) Director
Philippe Lallemand	Director
Benoît Verwilghen <sup>[1]</sup>	Director
Cécile Flandre <sup>[2]</sup>	Director
Wilfried Neven <sup>[3]</sup>	Director
Maryline Serafin <sup>[3]</sup>	Director
Benoît-Laurent Yerna	Director

[1] Until  
30/11/2021

[2] Until  
25/11/2021

[3] As from  
01/12/2021

[5] Until  
22/10/2021

[6] As from  
25/11/2021

#### 10.1.3 The Audit and Risk Committee

Name	Function
Bruno van Lierde	Chairman
Marc Descheemaecker	Member
Philippe Donnay <sup>[5]</sup>	Member
Ingrid Loos	Member
Claude Melen <sup>[6]</sup>	Member
Marc Meurant	Member

[5] Until 22/10/2021

[6] As from 25/11/2021

#### 10.1.4 The Appointments and Remuneration Committee

Name	Function
Myriam Van Varenbergh	Chair
Jacques Braggaar	Member
Olivier Henin	Member
Anne-Marie Seeuws	Member

<sup>1</sup> Situation as of 31/12/2021



### 10.1.5 The Statutory Auditor

PwC – Réviseurs d'entreprises SRL

Culliganlaan 5 – B-1831 Machelen

Represented by T. Meuleman, Accredited Auditor Ao1894 -  
Appointed for fiscal years 2020, 2021 and 2022.

### 10.2 Justification for the independence and competence of the members of the Audit and Risk Committee

The Audit and Risk Committee is composed of five non-executive directors, amongst whom three independent directors.

The Audit and Risk Committee is chaired by Bruno van Lierde and is also composed of Ingrid Loos, Marc Descheemaeker, Marc Meurant and Claude Melen.

**Mr. van Lierde** is a graduate in law and economics (UC Louvain), and has completed the Stanford Executive Programme. He has extensive experience in financial services, having advised, as Senior Partner and Managing Director of the Boston Consulting Group, the general management of banks and insurance companies on strategy, mergers and acquisitions, organization, major change and performance improvement programmes. He is chairman of the Board of Directors of Buy Way, Inventures II SDG Growth Fund, Lloyd's Insurance Company, Sopartec, Tempora, as well as the non-profit organizations "Cliniques de l'Europe", "H. Uni" and "SOS Children's Village" (Belgium). He is also a board member of NRB, Ring Ring and Vives Inter University Fund, managing director of SMA and chairman of the Strategic Committee of Univercells. He is Professor of Strategy at the Solvay Brussels School of Economics and Management. Mr. Van Lierde also meets the independence criteria set out in article 15 §1 of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

**Ms. Loos** holds a degree in applied economics, a master in economics and a master in change management (Sioo - University of Utrecht-Amsterdam). She has made a career in the financial sector by holding senior positions in credit granting, financial engineering, risk management and internal audit. She was Secretary-General of the Fortis Group. She was also a director at PwC Belgium Advisory, where she was involved in corporate governance issues. Ms. Loos is also an independent member of the audit committee of the "Groep Stad Antwerpen" (City of Antwerp) and a director of the University of Antwerp. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

**Mr. Descheemaeker** has a degree in applied economics and a post-graduate degree in European Economic Studies. He was executive vice-president of the ISS Group, managing director of ISS Belgium, Director of Vitrufin (liquidated on 25/10/2019), chairman of the board of directors of Brussels Airport Company and managing director, director and chairman of the SNCB/NMBS Audit Committee. He is currently chairman of the board

of directors of De Lijn and director of the EIB, EIF and GIMV.

**Mr. Meurant** is a civil engineer in applied mathematics and has a degree in actuarial sciences. He has acquired a solid experience in the insurance world, having been a member of the executive committee and then CEO of Winterthur-Europe Assurances for Belgium and Luxembourg. He was then CEO of CPH Life where he led, among other things, the implementation of the SII regulation. He was also a director of BBL Life and BBL Insurance, Touring Assurances, Atelia, Verheyen, Winterhur Czech Republic and a member of the Executive Committee of Assuralia. Mr. Meurant is also currently chairman of the Board of Directors of Amifor, Smart Plan and Bessonnat, risk manager and executive director of M.M.H., director of CPH Life and The Ring Ring Company, and director and chairman of the Audit and Risk Committee of Scottish Widows Europe.

**Ms. Melen** holds a licentiate in management sciences and has completed additional training in Analysis, Controlling and Auditing. She is currently director and chairman of the Audit Committee of Brussels South Charleroi Airport and first auditor of the Belgian Court of Audit. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

### 10.3 Justification for the competence of the members of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee is composed of four non-executive directors. It is chaired by Myriam Van Varenbergh, Chair of the Board of Directors, and is also composed of Anne-Marie Seeuws, Jacques Braggaar and Olivier Henin.

**Ms. Van Varenbergh** holds a law degree, a specialization in tax law and an additional degree in corporate law, as well as a degree in forensic medicine. She also briefly followed studies in the United States. Ms. Van Varenbergh has been a Board member of NRB NV and the LUCA School of Arts for several years. She was a member of the Superior Council of Justice, of the Notary Nomination Commission and of the Flemish Council for Electoral Disputes. She was chair of the Council for Equal Opportunities between Men and Women, a board member of the Flemish Regulator for the Media, of Fluida NV, of Vandebussche NV, etc. She was also a board member / member of the executive committee of Vitrufin (liquidated on 25/10/2019).

**Ms. Seeuws** has a degree in applied economics. She has acquired solid experience in the insurance world, having been a director-member of the executive committee of Baloise Insurance, a director of Euromex Insurance, a director-member and then chair of the executive committee of Nateus Life Insurance, Nateus Insurance, Audi Insurance and a director of Nateus Netherlands and Korfina Insurance. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

**Mr. Braggaar** holds a bachelor's degree in law and master's degree in criminology. He held the position of Head of HR-Budget in various ministerial offices. He was Deputy Secretary General, member of the French-speaking and National Management Committee of UNMS, where he was in charge of human resources management of the Directorate-General, and director of several non-profit associations linked to mutual organizations. He was also a director and member of Sowaer's Nomination and Remuneration Committee. He held the position of Secretary General of Fonsoc PS and was Government Commissioner for Wallimage SA and Wallimage Entreprises. He is currently Political Secretary of the PS group in the Senate and is a director of Solidararis. Mr. Braggaar has a thorough knowledge of Ethias, having been a director of SMAP, then of Ethias Droit Commun (now EthiasCo) and of Vitrufin (liquidated on 25/10/2019).

**Mr. Henin** is licensed in law and holds a DEA in economic law. He was Cabinet Director of various Ministers, director of the European Investment Bank, representative of the Minister of Finance on the NBB's Council of Regency, government commissioner on the Board of Directors of the Deposit and Financial Instrument Protection Fund, CFO of the SNCB/NMBS, director of Thi Factory, Eurogare, Lineas and Brussels Airport Company. He is currently chairman of the board of Fedimmo, vice-chairman of the SFPI, director and CFO of Sabena Aerospace and of Blueberry, director of SABCA independent director of Dôme Invest and of Stemme Belgium. Mr. Henin is also chairman of the board of directors of EthiasCo.

## 10.4 Conflicts of interests

If a director has directly or indirectly an interest of a proprietary nature that conflicts with a decision or transaction under the control of the board of directors, he or she must communicate it to the other directors prior to the deliberations of the board of directors. His/Her declaration and the reasons justifying the opposing interest that exists on his/her behalf must be included in the minutes of the Board of Directors who takes the decision.

(1) At its meeting on January 28, 2021, the Board of Directors analysed the 2021 objectives for the members of the Executive Committee.

The executive directors abstained from taking part in the deliberation of the Board of Directors, being found that they had, within the meaning of Article 7:115 of the Belgian Code on Companies and Associations, an interest of a proprietary nature that conflicted with the decision that the Board of Directors was likely to take, viz. the setting of the 2021 objectives for the members of the Executive Committee, which intervene in the payment of their 2022 variable remuneration.

Extract from the minutes of this meeting:

"... The Chair invited J. Balistreri to comment on the proposal regarding the definition of the 2021 objectives for the members of the Executive Committee. He stated that the objectives are in line with the Business Plan adopted by the Board of Directors.

(...)

After these explanations, the Board of Directors agrees with the proposals made.

In order to meet the requirements of Article 7:115 of the Belgian Code on Companies and Associations, the Board of Directors notes that the decision to set the 2021 objectives for the members of the Executive Committee, which intervene in the payment of their 2022 variable remuneration, has an impact of a proprietary nature for them and for the company. The Board of Directors justifies the decision taken by the interest of the company. (...)"

(2) At its meeting on February 24, 2021, the Board of Directors assessed the achievement of the 2020 objectives for the members of the Executive Committee.

The executive directors abstained from taking part in the deliberation and the vote of the Board of Directors, being found that they had, within the meaning of Article 7:115 of the Belgian Code on Companies and Associations, an interest of a proprietary nature that conflicted with the decision that the Board of Directors was likely to take, viz. the awarding of a variable remuneration based on the achievement of their 2020 objectives.

Extract from the minutes of this meeting:

"... The Chair gives the floor to J. Balistreri to comment on the achievement of the objectives for the members of the Executive Committee for the year 2020.

(...)

At the end of this presentation, the Board of Directors decides to follow the recommendation of the Appointments and Remuneration Committee and to grant the members of the Executive Committee the variable remuneration as presented.

In order to meet the requirements of Article 7:115 of the Belgian Code on Companies and Associations, the Board of Directors notes that the decision it has taken to grant a variable remuneration as proposed to the members of the Executive Committee has an impact of a proprietary nature for them and for the company. It justifies this decision by taking into account the degree of achievement of the objectives that were assigned to them for the year 2020. (...)"

(3) At its meeting on November 25, 2021, the Board of Directors decided on the financial terms and conditions for terminating B. Verwilghen's contract with Ethias SA.

B. Verwilghen abstained from taking part in the deliberation and the vote of the Board of Directors, being found that he had, within the meaning of Article 7:115 of the Belgian Code on Companies and Associations, an interest of proprietary nature that conflicted with the decision that the Board of Directors was likely to take, viz. the determination of the financial terms and conditions for terminating his contract with Ethias SA.

Extract from the minutes of this meeting:

"... The Chair then informs the Board of Directors that B. Verwilghen will take up new functions within the Ethias Group, in particular as managing director of EthiasCo as of 1 December 2021. In this context, the Board of Directors takes note of Benoit Verwilghen's resignation as Vice-CEO and COO Life and

as executive director as of November 30, 2021. The Board of Directors examines the terms and conditions for ending the collaboration with B. Verwilghen, which are commented by the CPOO. The Board validates these terms and conditions.

(...)

In order to meet the requirements of Article 7:115 of the Belgian Code on Companies and Associations, the Board of Directors notes that the decision to determine the financial terms and conditions for terminating the contract with Benoit Verwilghen has a non-significant impact of a proprietary nature for the company. The Board of Directors justifies the decision taken by the interest of the company. (...)"

(4) At its meeting on December 22, 2021, the Board of Directors analysed the 2021 objectives for the members of the Executive Committee.

The executive directors abstained from taking part in the deliberation of the Board of Directors, being found that they had, within the meaning of Article 7:115 of the Belgian Code on Companies and Associations, an interest of a proprietary nature that conflicted with the decision that the Board of Directors was likely to take, viz. the setting of the 2022 objectives for the members of the Executive Committee, which intervene in the payment of their 2023 variable remuneration.

Extract from the minutes of this meeting:

"... The CPOO is then invited to present the objectives in detail.

(...)

At the end of the discussion, the Board of Directors agrees with the proposals made, subject to four modifications.

(...)

In order to meet the requirements of Article 7:115 of the Belgian Code on Companies and Associations, the Board of Directors notes that the decision to set the 2022 objectives for the members of the Executive Committee, which intervene in the payment of their 2023 variable remuneration, has an impact of a proprietary nature for them and for the company. The Board of Directors justifies the decision taken by the interest of the company. (...)"

As for the members of the Executive Committee, they point out that no decision has been taken or any transaction decided that would fall within the scope of Article 7:117 of the Belgian Code on Companies and Associations.

## **10.5 External offices exercised by the leaders of Ethias SA**

In accordance with the CBFA circular PPB-2006-13-CPB-CPA on the exercise of external functions by the leaders of insurance companies, we publish a list with the external offices exercised by the directors and the members of the Executive Committee of Ethias SA in other companies than those with which Ethias SA establishes a close relationship.

Are not included in the list of external offices exercised in collective investment undertakings: asset-holding companies and so-called "management companies".

## Directors of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
<b>Braggaar Jacques</b>	Mutualité Solidaris Mons-Wallonie picarde	rue du Fort 48 7800 Ath	Health insurance fund	Director
<b>Descheemaecker Marc</b>	GIMV (listed bonds and stocks)	Karel Oomsstraat 37 2018 Antwerpen	Investments	Director and member of the Audit & Risk Committee
	De Lijn	Motstraat 20 2800 Mechelen	Public transport	Chairman of the Board of Directors, member of the Audit & Risk Committee and member of the Appointments & Remuneration Committee
	European Investment Bank (listed bonds)	98-100 boulevard Konrad Adenauer L-2950 Luxembourg	Investments and credits	Director
<b>Henin Olivier</b>	European Investment Fund	37b avenue J.F. Kennedy L-2968 Luxembourg	Investments and credits	Director
	Fedimmo	Chaussée de Wavre 1945 1160 Bruxelles	Property management	Chairman of the Board of Directors
	Sabena Aerospace	Avenue E. Mounier 2 1200 Bruxelles	Aeronautical and space maintenance	Director and CFO
	Blueberry	Avenue E. Mounier 2 1200 Bruxelles	Financial holding	Director and CFO
	SABCA	Chaussée de Haecht 1470 1130 Bruxelles	Engeneering	Director
	Dôme Invest	Rue des Olympiades 2 6000 Charleroi	Financial holding	Independent director
<b>Loos Ingrid</b>	Stemme Belgium	Rue Capt. Aviateur Jacquet 44 5020 Namur	Aeronautics	Independent director
	Universiteit Antwerpen	Prinsstraat 13 2000 Antwerpen	Education	Director
<b>Meurant Marc</b>	Smart Plan	Rue de Linthout 120 1040 Bruxelles	Insurance intermediation and brokerage	Chairman of the Board of Directors
	M.M.H.	Boulevard A. de Fontaine 15 6000 Charleroi	Insurance	Executive Director
	Bessonnat	Rue Jean Piret 1B L-2350 Luxembourg	Financial holding	Chairman of the Board of Directors
	Scottish Widows Europe	Avenue du Bois 1 L-1251 Luxembourg	Insurance	Director, chairman of the Audit & Risk Committee
	AMIFOR	Galerie du Centre 1000 Bruxelles	Insurance	Chairman of the Board of Directors
	CPH Life	Rue Perdue 7 7500 Tournai	Insurance	Director
	The Ring Ring Company	Culliganlaan 2/F 1831 Diegem	Communication	Director
<b>Neyt Philip</b>	Curalia	Rue Archimède 61 1000 Bruxelles	Insurance	Director
	Ghelamco Invest (listed bonds)	Zwaanhofweg 10 8900 Ieper	Real estate investments	Director
<b>Van Lierde Bruno</b>	Sopartec	Place de l'université 1 1348 Louvain-la-Neuve	Investments	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Tempora	Rue des Anciens Etangs 44-46 1170 Bruxelles	Design and management of exhibitions and cultural sites	Chairman of the Board of Directors
	Buy Way	Rue de l'Evêque 26 1000 Bruxelles	Credits	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Cliniques de l'Europe	Avenue DeFré 2016 1180 Bruxelles	Hospitals	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Univercells	Rue Auguste Piccard 48, 6041 Charleroi	Pharmaceuticals	Chairman of the Strategy Committee
	VIVES Inter University Fund	Place de l'université 1 1348 Louvain-la-Neuve	Investments	Director
	Lloyd's Insurance Company	Bastion Tower Etages 13&14	Insurance	Chairman of the Board of Directors, member of the Audit & Risk Committee and chairman of the Appointments & Remuneration Committee
<b>Melen Claude</b>	Brussels South Charleroi Airport	Rue des Frères Wright 8 6041 Charleroi	Airport	Director, chairman of the Audit & Risk Committee

## Effective leaders of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
<b>Lallemand Philippe</b>	Safran Aero Boosters (listed bonds and stocks)	route de Liers 121 4041 Herstal	Aircraft and space construction	Director
	Assuralia	Square de Meeûs 29 1000 Bruxelles	Insurance	Member of the Executive Committee and Director
<b>Neven Wilfried</b>	Xior Student Housing (listed stocks)	Mechelsesteenweg 34 2018 Antwerpen	Real estate	Independent director
	Euresa	Rue Royale 151 1210 Bruxelles	Insurance	Director
<b>Dumazy Nicolas</b>	Noshaq	Rue Lambert Lombard 3 4000 Liège	Investments	Director
<b>Kranzen Luc</b>	Euresa	Rue Royale 151 1210 Bruxelles	Insurance	Director
<b>Laenen Joris</b>	GIMV Health & Care	Karel Oomsstraat 37 2018 Antwerpen	Investments	Director
<b>Molnar Izabella</b>	IME Services & Consulting	Everbergstraat 72 3071 Erps-Kwerps	Services and advice to businesses	Statutory manager

## 11. Remuneration of the directors

Name of the director (non-executive and executive)	Function in Ethias SA	Remuneration Ethias SA (attendance fees)	Remuneration Ethias SA (fixed compensation)	Number of meetings Ethias SA (Board of Directors - Audit & Risk Committee - Appointments & Remuneration Committee)
Myriam Van Varenbergh	Chair	20,000.00	27,500.00	21
Jacques Braggaar	Non-executive director	25,650.84	9,500.00	21
Marc Descheemaeker	Non-executive director	26,000.00	12,500.00	28
Kathleen Desmedt	Non-executive director	17,578.84	7,500.00	14
Philippe Donnay	Non-executive director	20,000.00	10,122.28	22
Olivier Henin	Non-executive director	25,045.37	9,500.00	20
Ingrid Loos	Non-executive director	33,892.52	12,500.00	28
Claude Melen	Non-executive director	3,000.00	1,256.80	3
Marc Meurant	Non-executive director	32,806.52	12,500.00	29
Philip Neyt	Non-executive director	12,000.00	7,500.00	13
Anne-Marie Seeuws	Non-executive director	26,016.68	9,500.00	21
Karl Van Borm(*)	Non-executive director	13,000.00	7,500.00	14
Bruno van Lierde	Non-executive director	27,000.00	22,500.00	29
Philippe Lallemand (**)	CEO	0.00	0.00	33
Wilfried Neven (**)	CXO	0.00	0.00	25
Benoît Verwilghen (**)	Vice-CEO/COO Life (Until 30/11/2021)	0.00	0.00	25
Cécile Flandre (**)	CFO (Until 25/11/2021)	0.00	0.00	24
Nicolas Dumazy (**)	CSDO (As from 1/12/2021)	0.00	0.00	2
Luc Kranzen (**)	CCDO	0.00	0.00	25
Joris Laenen (**)	CILO (As from 1/12/2021)	0.00	0.00	2
Izabella Molnar (**)	CDTO (As from 15/12/2021)	0.00	0.00	1
Maryline Serafin (**)	CFO (As from 1/12/2021)	0.00	0.00	2
Benoît-Laurent Yerna (**)	CRO	0.00	0.00	28

(\*) paid to the City of Antwerp

(\*\*) pursuant to article 11 of the bylaws, the directors' terms of office are exercised free of charge

Name of the director	Function	Remuneration company within the scope of consolidation	Remuneration company within the scope of consolidation	Number of meetings NRB (Board of Directors - Audit Committee - Appointments & Remuneration Committee)
		NRB (***) - (attendance fees)	NRB (***) - (fixed compensation)	
Philippe Lallemand	Chairman	5,500.00	12,500.00	11
Maryline Serafin	Non-executive director	500.00	0.00	1
Cécile Flandre	Non-executive director	2,000.00	5,000.00	4

(\*\*\*) paid to Ethias SA

Name of the director	Function	Remuneration company within the scope of consolidation	Remuneration company within the scope of consolidation	Number of meetings NRB (Board of Directors - Audit Committee - Appointments & Remuneration Committee)
		NRB (attendance fees)	NRB (fixed compensation)	
Bruno van Lierde	Non-executive director	4,500.00	6,250.00	9
Myriam Van Varenbergh	Non-executive director	2,500.00	5,000.00	5

Name of the member of the executive committee	Function	Gross remuneration (*)	Gross variable remuneration (*)
Philippe Lallemand	CEO	437,898.32	86,764.00
Benoît Verwilghen	Vice-CEO/COO Life (Until 30/11/2021)	335,219.06	60,735.00
Joris Laenen	CIO (As from 1/12/2021)	24,463.94	0.00
Cécile Flandre	CFO (Until 25/11/2021)	265,654.81	485,046.23
Maryline Serafin	CFO (As from 1/12/2021)	24,463.94	0.00
Luc Kranzen	CCDO	293,292.32	57,842.00
Wilfried Neven	CXO	299,317.57	49,744.00
Benoît-Laurent Yerna	CRO	293,292.32	57,842.00
Izabella Molnar	CDTO (As from 15/12/2021)	13,936.14	0.00
Nicolas Dumazy	CSDO (As from 1/12/2021)	24,463.94	0.00

(\*) does not include other benefits

## 12. Details of balance sheet and income statement items

### 12.1 Balance sheet

#### 12.1.1 Assets

##### Heading B. Intangible assets

- I. Formation expenses: relating to the issue expenses of subordinated bonds.
- II. Intangible assets: These are mainly goodwill related to the acquisition of portfolio and participating interest as well as the amounts invested as software and IT developments.

##### Heading C. Investments

- I. Land and buildings
  1. Real estate for corporate purposes: company buildings
  2. Other: includes buildings intended for rental as well as advance payments on business properties under construction.

##### Heading E. Receivables

- I. Receivables arising from direct insurance operations
  1. Policyholders: essentially relating to the amounts due from our policyholders.
  3. Other: includes amounts due from various insurance companies and projected recoveries.
- II. Receivables arising from reinsurance operations: regroups receivables due from reinsurers.
- III Other receivables: includes guarantees paid, revenues to be recovered from ring-fenced funds, prepaid expenses, various contributions and taxes to be recovered and various debtors.

##### Heading F. Other asset items

- I. Tangible assets: include facilities, machinery, electronic equipment, tools, furniture, rolling stock, fitting-out of buildings and stock.
- II. Cash at bank and in hand: cash in hand and assets in different banks with a term of less than one month.

### Heading G. Accruals

- I. Interest and rent received but not yet due: income from portfolio securities and bank deposits received in the financial year 2021 but will be collected in 2022.

### 12.1.2 Liabilities

#### Heading E. Provisions for other risks and expenses

- III Other provisions: these are mainly provisions for disputes and for the end-of-career plan.

#### Heading G. Debts

- I. Debt arising from direct insurance operations: includes premiums paid prior to maturity, amounts due to various applicants and benefits to be paid.
- IV. Debts toward credit institutions: mainly includes repo and collateral.
- V. Other debts
  - 2. Other: essentially includes the suppliers, invoices to be received, unallocated payments, costs on ring-fenced funds and dividend to be paid.

#### Heading H. Accruals.

Mainly includes interests not yet due on bond loans.

## 12.2 Income statements

### 12.2.1 Technical account

#### Heading 2: Investment revenues - Life technical account.

#### Heading 2bis: Investment revenues - Non-Life technical account.

- b) income from other investments
- bb) income from other investments: investment revenues that are assets covering technical provisions and technical debts are recognized under these items.

#### Heading 3: Other technical income, net of reinsurance - Non-Life technical account.

This is income related to RDR management (Direct Settlement Compensation).

#### Heading 5: Change in other technical provisions, net of reinsurance - Non-Life technical account.

This is mainly the change in the indexation provision in Law 1971 and the change in the indexation fund in Law 1967.

Heading 6: Change in other technical provisions, net of reinsurance - Life technical account.

This includes the change in the provision for Life insurance.

#### Heading 8: Other technical expenses, net of reinsurance - Non-Life technical account.

Mainly includes the amount of the capital transferred to the Accidents at Work Fund (FAT) in Law 1971.

#### Heading 11: Other technical expenses, net of reinsurance - Life technical account.

These are mainly the tax on profit sharing and the tax on certain mathematical provisions Life, the contribution to the Deposit Protection Fund and the change in the provision for other risks and expenses related to the Life business.

### 12.2.2 Non-technical account

#### Heading 7: Other income.

This item mainly includes reversals of impairments on receivables.

#### Heading 8: Other expenses.

These are mainly losses on the realization of receivables and impairments on receivables.

## 13. Balance, income statement and notes

### 13.1 Balance sheet

<b>Assets</b>	<b>2021</b>	<b>2020</b>
<b>B. Intangible assets</b>	<b>110,453,754</b>	<b>113,309,350</b>
<b>I. Formation expenses</b>	<b>448</b>	<b>10,337</b>
<b>II. Intangible assets</b>	<b>110,453,306</b>	<b>113,299,013</b>
1. Goodwill	33,317,125	39,308,695
2. Other intangible assets	57,932,046	66,688,371
3. Advance payments	19,204,135	7,301,947
<b>C. Investments</b>	<b>15,983,236,833</b>	<b>15,347,455,382</b>
<b>I. Land and properties</b>	<b>147,945,176</b>	<b>204,542,669</b>
1. Real estate for corporate purposes	5,439,251	56,139,658
2. Others	142,505,925	148,403,011
<b>II. Investments in associated companies and participations</b>	<b>464,743,040</b>	<b>426,095,785</b>
- Associated companies	410,498,678	372,286,261
1. Participating interests	410,498,678	372,286,261
2. Certificates, bonds and receivables	0	0
- Other companies linked by a participating interest	54,244,362	53,809,524
3. Participating interests	41,092,558	39,397,591
4. Certificates, bonds and receivables	13,151,804	14,411,933
<b>III. Other financial investments</b>	<b>15,366,753,409</b>	<b>14,712,928,293</b>
1. Equities, shares and other variable-income securities	702,810,540	645,417,350
2. Bonds and other fixed-income securities	13,612,416,270	13,264,262,157
4. Mortgage loans and mortgage credits	231,059,487	360,478,259
5. Other loans	798,470,910	441,611,865
6. Deposits with credit institutions	21,991,732	1,118,050
7. Others	4,470	40,612
<b>IV. Deposits with ceding companies</b>	<b>3,795,208</b>	<b>3,888,635</b>
<b>D. Investments related to operations linked to a "Life" business investment fund whose investment risk is not borne by the company</b>	<b>1,778,054,022</b>	<b>1,491,140,460</b>
<b>Dbis. Reinsurers' share of technical provisions</b>	<b>225,729,774</b>	<b>157,602,457</b>
<b>I. Provision for unearned premiums and outstanding risks</b>	<b>64,649</b>	<b>477,596</b>
<b>II. Provision for Life insurance</b>	<b>2,923,417</b>	<b>1,311,168</b>
<b>III. Provision for claims to be paid</b>	<b>222,741,708</b>	<b>155,813,693</b>
<b>E. Receivables</b>	<b>445,578,103</b>	<b>426,194,548</b>
<b>I. Receivables arising from direct insurance operations</b>	<b>212,525,979</b>	<b>215,891,989</b>
1. Policyholders	113,122,373	102,200,937
2. Insurance intermediaries	17,310,715	28,075,401
3. Others	82,092,891	85,615,651
<b>II. Receivables arising from reinsurance operations</b>	<b>113,721,527</b>	<b>124,131,885</b>
<b>III. Other receivables</b>	<b>119,330,597</b>	<b>86,170,674</b>
<b>F. Other asset items</b>	<b>371,610,820</b>	<b>501,047,885</b>
<b>I. Tangible assets</b>	<b>18,634,941</b>	<b>21,254,974</b>
<b>II. Available values</b>	<b>352,975,879</b>	<b>479,792,911</b>
<b>G. Accruals</b>	<b>175,583,193</b>	<b>187,516,414</b>
<b>I. Interest and rent earned but not yet due</b>	<b>175,583,193</b>	<b>187,516,414</b>
<b>Total assets</b>	<b>19,090,246,499</b>	<b>18,224,266,496</b>



## Liabilities

	2021	2020
<b>A. Equity</b>	<b>1,528,203,983</b>	<b>1,461,309,677</b>
<b>I. Subscribed capital or equivalent funds, net of uncalled capital</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>
1. Issued capital	1,000,000,000	1,000,000,000
<b>III. Revaluation surpluses</b>	<b>1,660,619</b>	<b>19,731,395</b>
<b>IV. Reserves</b>	<b>78,776,548</b>	<b>67,399,565</b>
1. Statutory reserve	64,150,000	54,650,000
3. Untaxed reserves	12,584,073	10,964,784
4. Available reserves	2,042,475	1,784,781
<b>V. Result carried forward</b>	<b>447,766,816</b>	<b>374,178,717</b>
1. Profit carried forward	447,766,816	374,178,717
<b>B. Subordinated debts</b>	<b>474,920,678</b>	<b>471,508,397</b>
<b>Bbis Funds for future appropriations</b>	<b>18,378,650</b>	<b>18,378,650</b>
<b>C. Technical provisions</b>	<b>13,826,929,300</b>	<b>13,515,881,834</b>
<b>I. Provisions for unearned premiums and outstanding risks</b>	<b>295,804,097</b>	<b>296,446,682</b>
<b>II. Provision for Life insurance</b>	<b>9,556,734,162</b>	<b>9,446,282,976</b>
<b>III. Provision for claims to be paid</b>	<b>3,716,785,219</b>	<b>3,502,651,600</b>
<b>IV. Provision for profit sharing and refunds</b>	<b>43,587,400</b>	<b>40,132,859</b>
<b>V. Equalization and catastrophe provision</b>	<b>7,999,520</b>	<b>24,622,014</b>
<b>VI. C. Other technical provisions</b>	<b>206,018,902</b>	<b>205,745,703</b>
<b>D. Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company</b>	<b>1,778,054,022</b>	<b>1,491,140,460</b>
<b>E. Provisions for other risks and costs</b>	<b>57,911,114</b>	<b>64,691,130</b>
<b>I. Provisions for pensions and similar liabilities</b>	<b>0</b>	<b>55,592</b>
<b>II. Provisions for taxes</b>	<b>3,388,783</b>	<b>3,514,901</b>
<b>III. Other provisions</b>	<b>54,522,331</b>	<b>61,120,637</b>
<b>F. Deposits received from reinsurers</b>	<b>87,614,523</b>	<b>126,814,641</b>
<b>G. Debts</b>	<b>1,206,415,351</b>	<b>1,055,651,551</b>
<b>I. Liabilities arising from direct insurance operations</b>	<b>161,123,997</b>	<b>152,084,056</b>
<b>II. Reinsurance payables</b>	<b>8,854,046</b>	<b>6,459,894</b>
<b>IV. Debts owed to credit institutions</b>	<b>729,496,657</b>	<b>624,180,419</b>
<b>V. Other debts</b>	<b>306,940,651</b>	<b>272,927,182</b>
1. Amounts payable for taxes, remuneration and social security	78,405,358	60,868,284
a) taxes	41,291,242	21,083,475
b) remunerations and social security costs	37,114,116	39,784,809
2. Others	228,535,293	212,058,898
<b>H. Accruals</b>	<b>111,818,878</b>	<b>18,890,156</b>
<b>Total liabilities</b>	<b>19,090,246,499</b>	<b>18,224,266,496</b>

## 13.2 Income statement

### I. Technical account Non-Life

	2021	2020
<b>1. Earned premiums, net of reinsurance</b>	1,365,362,599	1,340,683,654
a) Gross premiums	1,404,327,739	1,382,016,259
b) Outgoing reinsurance premiums (-)	-39,194,778	-37,834,669
c) Change in the provision for unearned premiums and outstanding risks, gross of reinsurance (increase -, decrease +)	642,585	-3,470,447
d) Change in the provision for unearned premiums and outstanding risks, reinsurers' share (increase +, decrease -)	-412,947	-27,489
<b>2bis. Investment income</b>	129,321,439	122,269,535
a) Income from investments in associated companies or companies linked by a participating interest	3,243,350	1,824,458
aa) associated companies	390,854	366,562
1° participating interests	197,156	366,562
2° certificates, bonds and receivables	193,698	0
bb) other companies linked by a participating interest	2,852,496	1,457,896
1° participating interests	2,709,825	1,002,481
2° certificates, bonds and receivables	142,671	455,415
b) Income from other investments	101,802,404	97,002,857
aa) income from land and properties	1,341,566	1,396,717
bb) income from other investments	100,460,838	95,606,140
c) Write-back of value adjustments on investments	1,612,551	12,546,182
d) Gains on disposal	22,663,134	10,896,038
<b>3. Other technical income, net of reinsurance</b>	<b>1,189,171</b>	<b>1,284,499</b>
<b>4. Claims costs, net of reinsurance (-)</b>	<b>-1,082,915,435</b>	<b>-975,400,744</b>
a) Net amounts paid	946,642,838	930,331,378
aa) gross amounts	990,183,567	948,960,637
bb) reinsurers' share (-)	-43,540,729	-18,629,259
<b>b) Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)</b>	<b>136,272,597</b>	<b>45,069,366</b>
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	203,200,612	45,864,155
bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	-66,928,015	-794,789
<b>5. Change in the other technical provisions, net of reinsurance (increase -, decrease +)</b>	<b>-273,199</b>	<b>153,159</b>
<b>6. Profit sharing and refunds, net of reinsurance (-)</b>	<b>-3,752,722</b>	<b>-3,325,068</b>
<b>7. Net operating costs (-)</b>	<b>-250,089,664</b>	<b>-251,178,969</b>
a) Acquisition costs	119,849,869	115,234,159
c) Administrative costs	134,507,098	139,773,256
d) Commissions received from the reinsurers and participating interests (-)	-4,267,303	-3,828,446
<b>7bis. Investment-related costs (-)</b>	<b>-14,433,840</b>	<b>-22,899,542</b>
a) Investment management costs	6,658,183	3,407,128
b) Value adjustments on investments	3,656,575	5,995,465
c) Losses on disposal	4,119,082	13,496,949
<b>8. Other technical costs, net of reinsurance (-)</b>	<b>-40,188,310</b>	<b>-38,191,172</b>
<b>9. Change in provision for equalization and catastrophe, net of reinsurance (increase -, decrease +)</b>	<b>16,622,494</b>	<b>-6,062,656</b>
<b>10. Result of the Non-Life technical account</b>		
Profit (+)	120,842,533	167,332,696

## II. Life technical account

	2021	2020
<b>1. Premiums, net of reinsurance</b>	<b>1,373,062,558</b>	<b>1,346,259,820</b>
a) Gross premiums	1,374,424,237	1,347,765,477
b) Outgoing reinsurance premiums (-)	-1,361,679	-1,505,657
<b>2. Investment income</b>	<b>360,091,317</b>	<b>340,185,593</b>
a) Income from investments in associated companies or companies linked by a participating interest	5,897,328	11,955,527
aa) associated companies	4,870,793	10,905,306
1° participating interests	4,731,202	10,905,306
2° certificates, bonds and receivables	139,591	0
bb) other companies linked by a participating interest	1,026,535	1,050,221
1° participating interests	818,333	722,021
2° certificates, bonds and receivables	208,202	328,200
b) Income from other investments	273,429,743	272,568,792
aa) income from land and properties	10,684,787	11,480,682
bb) income from other investments	262,744,956	261,088,110
c) Write-back of value adjustments on investments	4,218,230	10,660,415
d) Gains on disposal	76,546,016	45,000,859
<b>3. Value adjustments on investments of the assets side D. (income)</b>	<b>225,818,741</b>	<b>245,849,863</b>
<b>4. Other technical income, net of reinsurance</b>	<b>3,223,674</b>	<b>4,109,126</b>
<b>5. Claims costs, net of reinsurance (-)</b>	<b>-1,436,969,444</b>	<b>-1,400,581,881</b>
a) Net amounts paid	1,436,969,444	1,400,581,881
aa) gross amounts	1,437,309,411	1,401,955,004
bb) reinsurers' share (-)	-339,967	-1,373,123
b) Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)	0	0
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	0	0
bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	0	0
<b>6. Change in the other technical provisions, net of reinsurance (increase -, decrease +)</b>	<b>-235,363,193</b>	<b>-162,024,920</b>
a) Change in provision for Life insurance, net of reinsurance (increase -, decrease +)	-94,939,505	-109,778,960
aa) change in provision for Life insurance, gross of reinsurance (increase -, decrease +)	-96,551,754	-109,263,691
bb) change in provision for Life insurance, reinsurers' share (increase +, decrease -)	1,612,249	-515,269
b) Change in the other technical provisions, net of reinsurance	-140,423,688	-52,245,960
<b>7. Profit sharing and refunds, net of reinsurance (-)</b>	<b>-3,454,541</b>	<b>13,552,553</b>
<b>8. Net operating costs (-)</b>	<b>-39,750,183</b>	<b>-33,780,003</b>
a) Acquisition costs	7,994,321	6,606,982
c) Administrative costs	31,755,862	27,061,130
d) Commissions received from the reinsurers and profit sharings (-)	0	111,891
<b>9. Investment-related costs (-)</b>	<b>-40,888,805</b>	<b>-60,123,457</b>
a) Investment management costs	18,041,465	15,022,129
b) Value adjustments on investments	8,078,153	16,810,015
c) Losses on disposal	14,769,187	28,291,313
<b>10. Value adjustments on investments of the assets side D. (costs) (-)</b>	<b>-93,521,082</b>	<b>-194,139,689</b>
<b>11. Other technical costs, net of reinsurance (-)</b>	<b>-10,290,608</b>	<b>-6,277,033</b>
<b>12bis. Change in fund for future appropriations (increase -, reduction +)</b>	<b>0</b>	<b>-12,000,000</b>
<b>13. Result of the Life technical account</b>		
Profit (+)	101,958,434	81,029,972

<b>III. Non-technical account</b>	<b>2021</b>	<b>2020</b>
<b>1. Result of the Non-Life technical account</b>		
Profit (+)	120,842,533	167,332,696
<b>2. Result of the Life technical account</b>		
Profit (+)	101,958,434	81,029,972
<b>3. Investment income</b>	16,997,387	11,577,673
a) Income from investments in associated companies or companies linked by a participating interest	6,960,588	6,838,830
b) Income from other investments	4,624,855	4,570,491
bb) income from other investments	4,624,855	4,570,491
c) Write-back of value adjustments on investments	0	121,572
d) Gains on disposal	5,411,944	46,780
<b>5. Investment-related costs (-)</b>	-26,112,992	-26,344,232
a) Investment management costs	26,097,425	26,016,530
b) Value adjustments on investments	0	0
c) Losses on disposal	15,567	327,702
<b>7. Other income</b>	18,273,224	11,142,081
<b>8. Other costs (-)</b>	-22,524,928	-21,873,508
<b>8bis. Current result before taxes</b>		
Profit (+)	209,433,658	222,864,682
<b>12. Exceptional costs (-)</b>	<b>-2,309,653</b>	<b>0</b>
<b>15. Income taxes (-/+)</b>	-17,542,736	-18,300,000
<b>15bis. Deferred taxes (-/+)</b>	126,119	76,931
<b>16. Result of the financial year</b>		
Profit (+)	189,707,388	204,641,613
<b>17. a) Withdrawal from the untaxed reserves</b>	378,357	197,735
b) Transfer to the untaxed reserves (-)	-1,997,645	-1,976,174
<b>18. Result for the period to be appropriated</b>		
Profit (+)	188,088,100	202,863,174

<b>Appropriation and withdrawal</b>	<b>2021</b>	<b>2020</b>
<b>A. Profit to be appropriated</b>	<b>562,266,816</b>	<b>487,378,716</b>
1. Profit for the period available for appropriation	188,088,100	202,863,174
2. Profit carried forward from the previous period	374,178,716	284,515,542
<b>B. Charge to shareholders' equity</b>	<b>0</b>	<b>0</b>
2. to reserves	0	0
<b>C. Transfers to equity (-)</b>	<b>-9,500,000</b>	<b>-10,200,000</b>
2. to the statutory reserve	-9,500,000	-10,200,000
<b>D. Result to be carried forward</b>		
1. Profit to be carried forward (-)	-447,766,816	-374,178,716
<b>F. Profit to be distributed (-)</b>	<b>-105,000,000</b>	<b>-103,000,000</b>
1. Remuneration of capital	105,000,000	103,000,000

## 13.3 Notes

### N° 1. Statement of intangible assets, investment property and investment securities

Name	Asset items concerned			
	B. Intangible assets	C.I. Land and properties	C.II.1. Participating interests in associated companies	C.II.2. Certificates, bonds and receivables in associated companies
<b>a) Acquisition value</b>				
Previous year end	231,833,725	271,251,975	304,157,884	0
Changes during the year:				
- Acquisitions	17,390,204	5,632,470	44,853,735	0
- Disposals and withdrawals	3,002,223	104,804,218	7,316,423	0
- Reclassified between headings	0	0	0	0
- Other changes	0	0	0	0
Year end	246,221,706	172,080,227	341,695,196	0
<b>b) Increase in value</b>				
Previous year end	0	25,053,340	72,345,152	0
Changes during the year:				
- Decided	0	0	0	0
- Cancelled	0	0	0	0
- Reclassified between headings	0	0	0	0
Year end	0	25,053,340	72,345,152	0
<b>c) Reductions in value</b>				
Previous year end	118,524,375	91,762,646	4,216,775	0
Changes during the year:				
- Decided	20,039,905	6,988,618	0	0
- Written back as excessive	0	0	675,105	0
- Cancelled	2,796,328	49,562,873	0	0
- Transfers from one heading to another	0	0	0	0
Year end	135,767,952	49,188,391	3,541,670	0
<b>c) Amounts not called up</b>				
Previous year end	0	0	0	0
Changes during the year:	0	0	0	0
Year end	0	0	0	0
Net book value, year end	110,453,754	147,945,176	410,498,678	0

## Asset items concerned

Name	C.II.3. Stakes in companies linked by a participating interest	C.II.4. Certificates, bonds and receivables in companies linked by a participating interest	C.III.1. Equities, shares and other variable- income securities	C.III.2. Bonds and other fixed-income securities
<b>a) Acquisition value</b>				
Previous year end	56,828,346	14,411,933	659,073,051	13,536,496,626
Changes during the year:				
- Acquisitions	4,554,456	0	391,373,085	2,842,998,517
- Disposals and withdrawals	621,320	1,260,129	299,925,093	2,444,235,056
- Reclassified between headings	0	0	0	0
- Other changes	0	0	0	-7,500,000
Year end	60,761,482	13,151,804	750,521,043	13,927,760,087
<b>b) Increase in value</b>				
Previous year end	0	0	0	0
Changes during the year:				
- Decided	0	0	0	0
- Cancelled	0	0	0	0
- Reclassified between headings	0	0	0	0
Year end	0	0	0	0
<b>c) Reductions in value</b>				
Previous year end	10,748,221	0	11,309,701	272,234,469
Changes during the year:				
- Decided	37,393	0	4,424,457	48,187,725
- Written back as excessive	0	0	1,342,073	358,000
- Cancelled	20,968	0	3,227,582	4,720,377
- Transfers from one heading to another	0	0	0	0
Year end	10,764,646	0	11,164,503	315,343,817
<b>d) Amounts not called up</b>				
Previous year end	6,682,534	0	2,346,000	0
Changes during the year:	2,221,743	0	34,200,000	0
Year end	8,904,277	0	36,546,000	0
Net book value, year end	41,092,558	13,151,804	702,810,540	13,612,416,270

## N° 2. Statement of participating interests and social rights held in other companies

### Social rights held by

### Data extracted from the last available annual report

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	directly		by the subsidiaries	Financial statements as of	Currency	Equity	Net profit or loss
	Number	%	%			(+) ou (-)	(in thousands of currency units)
<b>Air Properties SA</b> Rue Léon Laval 12, L-3372 Leudelange B179.427	140,411	65	0	12/31/2020	EUR	9,295	1,238
<b>Ankaret Invest SA</b> Rue des Croisiers, 24 B-4000 Liège BE 0438.840.866	2,368,879	100	0	12/31/2020	EUR	17,668	-417
<b>Archeion SA</b> Rue des Croisiers, 24 B-4000 Liège BE 0832.269.896	28,410	100	0	12/31/2020	EUR	2,172	111
<b>Ariane Building SA</b> Place Saint-Jacques, 11/104 B-4000 Liège BE 0862.467.382	8,050	25	0	12/31/2020	EUR	-1,772	-7,177
<b>Ariane Real Estate (ARE)</b> SA Rue des Croisiers, 24 B-4000 Liège BE 0898.866.435	200	100	0	12/31/2020	EUR	8,309	-27
<b>Assurcard NV Fonteinstraat</b> 1A/301 B-3000 Leuven BE 0475.433.127	900	20	0	12/31/2020	EUR	3,078	125
<b>Bedrijvencentrum regio Geraardsbergen</b> Herenveld 2-9500 Geraardsbergen BE 0456.832.584	32	28	0	12/31/2020	EUR	877	18
<b>Bora SA</b> Rue des Croisiers 24 B-4000 Liège BE 0444.533.281	484	100	0	12/31/2020	EUR	5,766	-56
<b>Centreperts</b> Avenue Franklin Roosevelt 104/1 1330 Rixensart BE 0463.891.315	80	10	0	12/31/2020	EUR	169	14
<b>De Oostendse Haard asbl</b> Nieuwpoortsesteenweg, 205 B-8400 Ostende BE 0405.277.282	1,400	16	0	12/31/2020	EUR	20,431	681
<b>E.D.A. SA</b> Avenue de la Cokerie 3 B-4030 Grivegnée BE 0823.162.982	10	10	0	12/31/2020	EUR	300	14
<b>Epimède SA</b> Lambert Lombard, 3 B-4000 Liège BE 0634.750.380	2,080	20	0	6/30/2021	EUR	10,416	5,878
<b>Ethias Patrimoine SA</b> Rue des Croisiers, 24 B-4000 Liège BE 0894.377.612	40	100	0	12/31/2020	EUR	21,786	978
<b>Ethias Services SA</b> Rue des Croisiers, 24 B-4000 Liège BE 0825.876.113	999	100	0	12/31/2020	EUR	453	66
<b>Ethias Sustainable Investment Fund SA (European Equities High Yield)</b> Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	256,136	92	8	12/31/2020	EUR	89,921	-7,620
<b>Ethias Sustainable Investment Fund SA (Global Equities)</b> Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	21,767	100	0	12/31/2020	EUR	21,034	-1,575
<b>Expertisebureau Bellefroid NV</b> Kiewitstraat 175 B-3500 Hasselt BE 0429.884.105	13	10	0	12/31/2020	EUR	704	-17
<b>Foncière du Berlaymont sprl</b> Rue des Croisiers, 24 B-4000 Liège BE 0833.012.640	1,000	100	0	12/31/2020	EUR	189	-41
<b>Green4you SA</b> boulevard du Roi Albert II 7, B-1210 Saint-Josse-ten-Noode BE 0778.652.157	2,600	26	0				
<b>Het Gehucht SA</b> rue des Croisiers, 24 B-4000 Liège BE 0808.840.636	500	100	0	12/31/2020	EUR	1,398	-13
<b>Idelux Développement</b> Drève de l'Arc-en-ciel, 98 B-6700 Arlon BE 0205.797.475	75	15	0	12/31/2020	EUR	78,378	5,278

## Social rights held by

Data extracted from the last available annual report

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	directly		by the subsidiaries	Financial statements as of	Currency	Equity	Net profit or loss
	Number	%	%			(+) ou (-)	
						(in thousands of currency units)	
<b>IMA Benelux</b> square des Conduites d'Eau 11-12, B-4020 Liège BE 0474.851.226	16,500	33	0	12/31/2020	EUR	2,391	-669
<b>Immo Hofveld SA</b> rue des Croisiers, 24 B-4000 Liège BE 0889.535.233	1,000	100	0	12/31/2020	EUR	1,326	88
<b>Immovegnis SA</b> rue des Croisiers, 24 B-4000 Liège BE 0463.660.394	10,500	100	0	12/31/2020	EUR	35	-26
<b>Impulse Microfinance Investment Fund</b> Sneeuwbeslaan, 20/2 B-2610 Wilrijk BE 0870.792.160	1,200	11	0	12/31/2020	EUR	1,216	-37
<b>Jan Dockx SA</b> rue des Croisiers, 24 B-4000 Liège BE 0458.920.757	2,500	100	0	12/31/2020	EUR	2,103	-45
<b>Koala SA</b> rue des Croisiers 24, B-4000 Liège BE 0873.412.150	400	100	0	12/31/2020	EUR	4,379	22
<b>Lothian Developments IV SA</b> rue des Croisiers, 24 B-4000 Liège BE 0463.648.518	1,012,873	100	0	12/31/2020	EUR	2,985	244
<b>Maison de l'assurance</b> Square de Meeûs, 29 B-1000 Bruxelles BE 0403.306.501	2,776	11	0	12/31/2020	EUR	2,800	18
<b>Naos SA</b> Rue Léon Laval 12, L-3372 Leudelange B 207.559	670,000	67	0	12/31/2020	EUR	11,495	1,107
<b>Network Research Belgium SA</b> P.l. des Hauts-Sarts 2ème avenue, 65 B-4040 Herstal BE 0430.502.430	42,530	68	0	12/31/2020	EUR	98,156	28,806
<b>Officenter Hasselt</b> Hendrik van Veldekesingel 150, B-3500 Hasselt BE.0821.194.476	13	13	0	12/31/2020	EUR	1,058	78
<b>Palais des expositions congrès de charleroi</b> rue de robiano, 74 B-7130 Binche BE 0401.553.571	9,856	23	0	12/31/2020	EUR	-134	-65
<b>Sagitta SA</b> rue des Croisiers 24, B-4000 Liège BE 0812.356.489	240	100	0	12/31/2020	EUR	2,840	25
<b>NEB Foncière SA</b> rue Louvrex, 95 B-4000 Liège BE 0480.029.838	145	29	0	12/31/2020	EUR	127	-139
<b>NEB Participations SA r</b> ue Louvrex, 95 B-4000 Liège BE 0480.029.739	60,503	29	0	12/31/2020	EUR	65,270	6,594
<b>Real Goed Invest SA r</b> ue des Croisiers, 24 B 4000 Liège BE 0872.354.157	1,046	100	0	12/31/2020	EUR	2,589	116
<b>Veran Real Estate CY SA</b> rue des Croisiers, 24 B-4000 Liège BE 0894.106.012	100	100	0	12/31/2020	EUR	4,698	-53
<b>Vital Building SA</b> Place Saint-Jacques, 11/105 B-4000 Liège BE 0875.171.810	5,000	50	0	12/31/2020	EUR	4,803	197
<b>Weerts Logistic Parks</b> Holding varnstraat, 2 3793 Teuven BE 0837.446.629	55,519,377	50	0	12/31/2020	EUR	51,858	-53



## N° 3. Actual value of investments

Asset items	Amounts
<b>C. Investments</b>	17,993,784,868
<b>I. Land and properties</b>	161,514,439
<b>II. Investments in associated companies and participations</b>	831,271,326
- Associated companies	687,730,961
1. Participating interests	687,730,961
2. Certificates, bonds and receivables	0
- Other companies linked by a participating interest	143,540,365
3. Participating interests	129,911,072
4. Certificates, bonds and receivables	13,629,293
<b>III. Other financial investments</b>	16,996,887,421
1. Equities, shares and other variable-income securities	1,029,193,286
2. Bonds and other fixed-income securities	14,901,783,433
4. Mortgage loans and mortgage credits	243,241,549
5. Other loans	800,672,951
6. Deposits with credit institutions	21,991,732
7. Others	4,470
<b>IV. Deposits with ceding companies</b>	4,111,682

## N° 3bis. Derivative financial instruments not measured at fair value

Estimate of the fair value of each class of derivative financial instruments not measured at fair value in the accounts, with indications on the nature and the volume of the instruments

	Net book value	Fair value
Forward swaps, volume: € 100,000,000, rate risk	-94,119,659	-99,050,144
Forward bonds, volume: € 621,000,000, credit risk	0	-288,276

For financial fixed assets included in items C.II. and C.III. carried at an amount in excess of their fair value: the net book value and the fair value of either the individual assets or appropriate groupings of those individual assets

	Net book value	Fair value
C.II.1 Investments in associated companies and participations - participating interests	157,659,216	153,316,387
C.II.3 Investments in associated companies and participations - participating interests	5,417,309	4,787,620
C.III.1 Other financial investments - equities, shares and other variable-income securities	172,167,001	152,072,044
C.III.2 Other financial investments - bonds and other fixed-income securities	1,859,170,635	1,807,045,896
C.III.5 Other financial investments - other loans	225,358,975	220,173,478

For each of the financial fixed assets referred to in B., or each of the individual assets or appropriate groupings of those individual assets referred to in B., which is carried at an amount in excess of their fair value, the reasons why the book value has not been reduced must also be stated below, together with the nature of the indications underlying the assumption that the book value will be recoverable:

C.II.1 Investments in associated companies and participations - participating interests: see valuation rules in note 20 (item 2)
C.II.3 Investments in associated companies and participations - participating interests: see valuation rules in note 20 (item 2)
C.III.1 Other financial investments - equities, shares and other variable-income securities: see valuation rules in note 20 (item 2)
C.III.2 Other financial investments - bonds and other fixed-income securities: see valuation rules in note 20 (item 2)
C.III.5 Other financial investments - other loans: see valuation rules in note 20 (item 2)

## N° 5. Statement of capital

### A. Share capital

- 1. Subscribed capital (item A.1.1. of the liabilities)
- Previous year end:
- Changes during the year:
- Year end

### 2. Structure of the capital

#### 2.1. Equities, shares and other variable income securities

Shares without indication of the nominal value

#### 2.2. Registered shares of bearer shares

Registered

### G. Ownership structure of the company at the closing date of the accounts

EthiasCo SCRL

Flemish Region

Walloon Region

Federal State (SFCI)

	Amounts	Number of shares
	1,000,000,000	xxxxxxxxxxxxxxx
	1,000,000,000	xxxxxxxxxxxxxxx
	1,000,000,000	20,000,000
	xxxxxxxxxxxxxxx	20,000,000
	xxxxxxxxxxxxxxx	1,000,010
	xxxxxxxxxxxxxxx	6,333,330
	xxxxxxxxxxxxxxx	6,333,330
	xxxxxxxxxxxxxxx	6,333,330

## N° 6. Statement of provisions for other risks and charges - Other provisions

### Breakdown of the liability item E.III

	Amounts
Provision retirement plan	31,829,464
Other provisions for risks and charges	8,410,400
Provision for disputes	14,282,467

## N° 7. Statement of technical provisions and debts

### Liability items concerned

#### a) Breakdown of the debts (or a part of the debts) with a residual maturity of more than 5 years.

B. Subordinated debts	474,920,678
II. Non-convertible loans	474,920,678

**Total** **474,920,678**

#### b) Debts (or part of the debts) and technical provisions (or part of the technical provisions) guaranteed by collaterals or irrevocably promised on the assets of the company.

D. Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company	1,778,054,022
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G. Debts	728,429,952
IV. Debts toward credit institutions	728,429,952

**Total** **2,506,483,975**

c) Debts with regard to taxes, remunerations and social security costs.

#### 1. Taxes (item G.V.1.a) of the liabilities)

b) Non due tax debts	41,291,242
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#### 2. Remunerations and social security costs (item G.V.1.b) of the liabilities)

b) Other debts with regard to remunerations and social security costs	37,114,116
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**Total** **78,405,358**

## N° 8. Statement of accruals for liabilities

### Breakdown of the liability item H

	Amounts
Financial income to be carried forward	1,011,763
Result on other derivatives to be reallocated	94,119,659
Financial charges to be allocated (Bond Issue and REPO)	16,687,456

## N° 10. Information on technical accounts

### I. Non-Life insurance

Content	Total	Direct business			
		Total	Accidents and disease	Automobile Civil Liability	Automobile Other branches
			(branches 1 and 2)	(branch 10)	(branches 3 and 7)
1) Gross premiums	1,404,327,740	1,405,361,785	500,869,162	266,634,145	193,757,154
2) Earned gross premiums	1,404,970,324	1,405,741,408	500,450,646	268,600,196	193,977,444
3) Gross damages	1,193,384,179	1,196,123,297	403,896,355	207,031,451	110,930,046
4) Gross operating costs	254,356,967	254,200,159	60,360,000	56,226,232	39,055,638
5) Reinsurance balance	75,128,322	79,118,076	4,526,430	8,264,290	15,644,705
6) Commissions (art. 37)		36,918,594	0	0	0

Content	Direct business				
	Marine Aviation Transport	Fire and other damages to properties	General Civil Liability	Credit and Bonding	Miscellaneous financial losses
	(branches 4, 5, 6, 7, 11 and 12)	(branches 8 and 9)	(branch 13)	(branches 14 and 15)	(branch 16)
1) Gross premiums	281,034	239,850,880	102,344,314	57,549	17,717,941
2) Earned gross premiums	282,187	234,933,413	104,536,103	57,549	18,779,717
3) Gross damages	-70,806	327,698,575	97,529,967	122	8,682,148
4) Gross operating costs	53,644	54,774,230	18,615,826	11,281	3,576,005
5) Reinsurance balance	0	53,615,149	-2,932,498	0	0
6) Commissions (art. 37)	0	0	0	0	0

Content	Direct business		
	Legal protection	Assistance	Accepted cases
	(branch 17)	(branch 18)	
1) Gross premiums	40,977,661	42,871,945	-1,034,045
2) Earned gross premiums	41,552,522	42,571,631	-771,084
3) Gross damages	23,529,531	16,895,908	-2,739,118
4) Gross operating costs	9,813,036	11,714,267	156,808
5) Reinsurance balance	0	0	-3,989,754
6) Commissions (art. 37)	0	0	0

### II. Life insurances

Content	Amounts
<b>A. Direct business</b>	
<b>1) Gross premiums:</b>	<b>1,374,424,237</b>
a) Individual premiums	46,488,636
Premiums under group insurance contracts	1,327,935,601
b) Periodic premiums	1,072,982,761
Single premiums	301,441,476
c) Premiums for non-bonus contracts	25,286,475
Premiums for bonus contracts	1,345,672,443
Premiums from contracts where the investment risk is not borne by the company	3,465,319
<b>2) Reinsurance balance</b>	<b>590,536</b>
<b>3) Commissions (art. 37)</b>	<b>3,207,056</b>
<b>B. Accepted cases</b>	
<b>Gross premiums:</b>	<b>0</b>

### III Non-Life insurance and Life insurance, direct business

Content	Amounts
<b>Gross premiums:</b>	
- in Belgium	2,738,766,023
- in the other states of the EEC	41,019,997

## N° 11. Statement on personnel employed

### A. The following information relating to the financial year and to the previous financial year, concerning employees entered in the personnel register and connected to the enterprise by an employment contract or by a first employment agreement

	2021	2020
a) Their total number at the financial year's closing date	1,976	1,923
b) The average number of personnel employed by the company during the previous financial year, calculated in full-time equivalents in accordance with Article 15, §4 of the Belgian Company Code, and broken down according to the following categories:	1,774	1,745
- management staff	26	26
- clerical staff	1,748	1,719
c) The number of hours worked	2,571,733	2,590,566

### B. The following information relating to the financial year and the previous financial year, concerning temporary staff and persons made available to the company

	2021	2020
a) Their total number at the financial year's closing date	0	0
b) Average number of full-time equivalents calculated in a similar way to employees registered in the personnel register	4	1
c) The number of hours worked	7,754	1,965

## N° 12. Statement on all administrative and management costs, broken down by type

Name	Amounts
<b>I. Employee benefit expenses</b>	<b>176,850,260</b>
1. a) Remunerations	107,911,368
b) Pensions	0
c) Other direct social benefits	32,547,766
2. Employers' social security contributions	35,216,977
3. Employers' allowances and premiums for extra-legal insurances	452,115
4. Other employee benefit expenses	777,626
5. Provisions for pensions, remuneration and social security costs	-55,592
a) Appropriations (+)	0
b) Expenditures and reversals (-)	-55,592
<b>II. Services and other goods</b>	<b>169,551,142</b>
<b>III. Depreciation and write-down on intangible and tangible assets other than investments</b>	<b>24,359,829</b>
<b>IV. Provisions for other risks and expenses</b>	<b>0</b>
1. Allocation (+)	0
2. Expenditures and reversals (-)	0
<b>V. Other current expenditure</b>	<b>9,779,218</b>
1. Fiscal operating costs	1,575,257
a) Property tax	1,449,781
b) Others	125,476
2. Contributions to public bodies	2,753,494
4. Others	5,450,467
<b>VI. Administrative costs recovered and other current income (-)</b>	<b>-6,846,864</b>
1. Recovered administrative costs	6,846,864
b) Others	6,846,864
<b>Total</b>	<b>373,693,585</b>

## N° 13. Other income, other costs

Name	Amounts
<b>A. Breakdown of the other income (item 7 of the non-technical account)</b>	
Reversals of write-downs on litigations	18,015,880
Capital gains realized on tangible assets	36,709
Others	220,635
<b>B. Breakdown of the other costs (item 8 of the non-technical account)</b>	
Amortizations	9,889
Impairments on receivables	9,367,775
Capital losses realized on assets	208,260
Losses on the realization of receivables	11,780,325
COVID-19 solidarity action	0
Commissions and financial costs	610,110
Others	548,568

## N° 14. Exceptional results

Name	Amounts
<b>A. Breakdown of EXCEPTIONAL INCOME (item 11. of the non-technical account), if significant</b>	
<b>B. Breakdown of EXCEPTIONAL COSTS (item 12. of the non-technical account), if significant</b>	
Capital gain on the realization of assets	2,309,653

## N° 15. Income taxes

Name	Amounts
<b>A. Breakdown of item 15 a) 'Taxes':</b>	<b>19,052,437</b>
1. Income taxes for the financial year:	19,052,437
a) Refundable advance payments and prepayments	4,002,391
b) Other attributable items	208
c. Excess of advance payments and / or capitalized refundable withholding taxes (-)	0
d. Estimated tax supplements (included in heading G.V.1.a) of liabilities)	15,049,838
2. Income taxes on previous periods:	0
a) Additional income taxes due or paid:	0
<b>B. Main sources of differences between the profit before tax, as stated in the accounts, and the estimated taxable profit</b>	
- Changes in reserves, provisions and taxable impairments (excluding shares):	-3,076,297
- Income exempt and non-allowable losses on shares:	36,771,953
- Disallowed expenses (excluding shares):	14,392,851
- Miscellaneous deductions (previous losses, notional interest, income from innovation ...)	-101,360,402
<b>D. Sources of deferred tax assets:</b>	
1. Deferred tax assets	1,109,720,000
- Accumulated tax losses and definitively taxed income ("RDT") (carry-forward)	0
- Taxed technical provisions:	1,084,800,000
- Taxed impairments and other taxed reserves:	24,920,000
2. Future tax liabilities	0
Surplus value (spread taxation):	0

## N° 16. Other taxes and charges borne by third parties

	2021	2020
<b>A. Charges:</b>		
1. Charges on insurance contracts borne by third parties	254,137,135	254,609,364
2. Other charges borne by the company	983,097	987,961
<b>B. Amounts retained on behalf of third parties in respect of:</b>		
1. Withholding tax on earned income	312,149,850	300,262,540
2. Withholding tax (on dividends)	1,669,722	1,381,953

## N° 17. Off-balance sheet rights and commitments

	Amounts
<b>A. Guarantees given or irrevocably promised by third parties on behalf of the company*:</b>	
<b>B. Personal guarantees given or irrevocably promised on behalf of third parties:</b>	
<b>C. Real guarantees given or irrevocably promised by the company on its own assets as security for debts and commitments</b>	
a) of the company:	854,234,312
<b>D. Collateral received (others than in cash):</b>	
a) securities and values of reinsurers:	70,002,132
b) others:	636,464,862
<b>G. Nature and business purpose of off-balance sheet transactions:</b>	
<b>H. Others:</b>	<b>2,446,410,144</b>
Commitments to acquire real estate	32,505,770
Infrastructure lending commitments	48,351,210
Financial lending commitments	50,815,924
Public Bodies lending commitments	10,000,000
Mortgage lending commitments	4,282,943
Agency lending commitments	90,000,000
Participating interest commitments	10,598,056
Bond fund commitments	123,063,639
Equity fund commitments	64,732,888
Infrastructure fund commitments	83,327,107
Commitments to acquire other securities	624,250,000
Commitments to dispose of real estate	0
Commitments to dispose of other securities	873,617,799
IT projects commitments	5,097,373
IRS swap - Receive leg	110,000,000
CDS - Receive	0
IRS swap - Pay leg	110,000,000
CDS - Pay	0
Caps/floor	0
Swaptions	0
Property lending commitments	27,711,000
Estimate of additional compensation - flooding	178,056,435

## N° 18. Relationships with associated companies and companies linked by a participating interest

Relevant items of the balance sheet	Associated companies		Companies linked by a participating interest	
	2021	2020	2021	2020
<b>C. II. Investments in associated companies and participations</b>	<b>410,498,678</b>	<b>372,286,261</b>	<b>54,244,361</b>	<b>53,809,524</b>
1 + 3 Participating interests	410,498,678	372,286,261	41,092,557	39,397,591
2 + 4 Certificates, bonds and receivables	0	0	13,151,804	14,411,933
- Others	0	0	13,151,804	14,411,933
<b>D. II. Investments in associated companies and participations</b>	<b>4,751,072</b>	<b>3,999,497</b>	<b>0</b>	<b>0</b>
1 + 3 Participating interests	4,751,072	3,999,497	0	0
<b>E. Receivables</b>	<b>55,449</b>	<b>1,373,952</b>	<b>902,784</b>	<b>1,211,740</b>
I. Receivables arising from direct insurance operations	37,757	1,047,183	709,339	1,022,342
III. Other receivables	17,692	326,769	193,445	189,398
<b>B. Subordinated debts</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>0</b>	<b>0</b>
<b>G. Debts</b>	<b>12,878,563</b>	<b>15,710,339</b>	<b>0</b>	<b>-398</b>
I. Receivables arising from direct insurance operations	0	0	0	0
V. Other debts	12,878,563	15,710,339	0	-398
			Associated companies	
			2021	2020
Other significant financial commitments			8,831,582	33,869,000

## N°18bis. Relations with associated companies

Relations with the associated companies (*)	2021	2020
<b>1. Amount of the financial fixed assets</b>	<b>79,700,890</b>	<b>50,998,342</b>
- Participating interests	79,700,890	50,998,342
<b>2. Receivables on associated companies</b>	<b>37,500</b>	
- Within one year	37,500	
<b>4. Personal and real guarantees</b>	<b>0</b>	
Provided or irrevocably promised by associated companies as security for debts or commitments of the company	0	
<b>5. Other significant financial commitments</b>	<b>188,484,158</b>	<b>89,527,860</b>

(\*) Associated companies in accordance with article 12 of the Belgian Company Code

## N° 19. Financial relations with:

	Amounts
<b>A. Guarantees given or irrevocably promised by third parties on behalf of the company*:</b>	
1. Outstanding receivables on these persons	0
4. Direct and indirect remunerations and allocated pensions charged to the income statement	
- to directors and managers *	431,870

\* For non-executive directors and without remunerations and other benefits of the Management Committee (Pursuant to article 11 of the bylaws, the directors' terms of office are exercised free of charge)

## N° 19bis. Financial relations with:

The statutory auditor and the persons with whom he is linked	Amounts
<b>1. Remuneration of the statutory auditor:</b>	<b>637,075</b>
<b>2. Fees for exceptional services or special missions accomplished within the company by the statutory auditor:</b>	<b>26,120</b>
- Other control missions	26,120
- Other missions outside the audit missions	0
<b>3. Fees for exceptional services or special missions accomplished within the company by the persons with whom the statutory auditor is linked:</b>	<b>0</b>
- Tax advice missions	0
- Other missions outside the audit missions	0

## N° 20. Valuation rules

The valuation rules applicable on the income statement are mentioned below.

### Asset side of the balance sheet

#### Intangible assets (heading B)

Intangible assets are capitalized at their purchase or cost price, including incidental expenses.

Software and development costs are capitalized if they relate to investment projects, i.e. large-scale projects that introduce or replace an important business objective or model.

Computer software and licences that have been purchased or internally created for own use are stated at historical cost, less depreciation and any impairment of assets. Internally created software and licenses are only recognized as intangible assets when the following conditions are met: identification criteria for the asset, control of resources, probability of future economic profits and the ability to measure cost reliably.

Software developed by third parties, as well as internal and external development costs for investment projects, are amortized on a straight-line basis over five years from the time the software or developments are ready for use, while for "core" systems with a longer useful life, the term is 10 years.

Internal and external research costs related to these projects, as well as all costs related to ICT projects other than investment projects, are directly included in the income statement. "

Intangible assets other than IT investment projects are amortized on a straight-line basis at a rate of 20%, except for amortization of development costs and goodwill when the useful life cannot be reliably estimated, which is spread over a maximum period of ten years. The amortization period of goodwill is justified in the note to the financial statements.

#### Investments (heading C)

##### Land and properties (sub-heading C.I.)

- They are capitalized at their purchase or cost price, including incidental expenses.

Land is not depreciated.

- Immovable properties acquired before 1 January 2011 are depreciated using the linear method at the following rates:
- Immovable properties: 2 %
- Alterations: 10 %
- Immovable properties acquired after 1 January 2011 are divided in the following categories:
- Structural work
- Roof
- External woodwork
- Special techniques
- Finishing

These immovable properties are depreciated on a straight-line basis over the expected useful life of each component, after deduction of their residual value, provided that they can be determined reliably.

Investments in associated companies and participations (sub-heading C.II)

These investments are subjected to depreciation in case of durable impairments. This depreciation will on the one hand be justified, case by case, according to the financial situation, the profitability or the prospects of the company in which the participating interests or shares are held and will on the other hand be recorded on the basis of a proposal from the Executive Committee.

#### Other financial investments (sub-heading C.III.)

##### Equities, shares and other variable-income securities (C.III.1)

These investments are subjected to impairments in case of durable capital loss. The existence of a significant unrealized loss with regard to the purchase price, determined on the basis of the weighted average price over a period of 12 consecutive months preceding the closing, is a criterion of durable impairment. The capital loss is qualified as important when it exceeds the purchase price by 20 % in a normal market context. This criterion can be submitted to the Executive Committee for consideration when the markets are more volatile.

Additional or exceptional impairments can be recognized on a proposal from the Executive Committee. The impact of these impairments are included in the notes accompanying the income statement provided that they represent an important amount.

In case of disposal of securities, the book value, used to calculate the realized gains and losses, is determined on the basis of the weighted average price.

##### Bonds and other fixed-income securities (C.III.2)

These investments are recognized in the balance sheet at their purchase price.

However, when their actuarial yield, calculated at the time of the purchase (taking into account their redemption amount at maturity) differs from their nominal yield, the difference between the purchase and the redemption amount is recognized through profit or loss, pro rata temporis for the remaining duration of the securities, as elements of the interest yields on these securities and is recorded as increase or decrease of their purchase price. Taking into account the actuarial yield at the time of the purchase, this difference is recognized through profit or loss on a discounted basis.

In accordance with the principles of Article 19 paragraph 1, impairments are systematically applied to the bonds, mentioned in the item C.III.2. of assets, in order to reflect the risk that the counterparties of such securities and receivables do not fully or partially honour their commitments relating thereto, including, but not limited to, the probability that the reimbursement of these securities and receivables is in whole or partly uncertain or compromised. When the market value of these securities and receivables is permanently lower than their net book value, this circumstance is, unless proved otherwise, presumed to be an other-than-temporary impairment which is to be considered for the application of this provision.

The application of the above rules and the decision to recognize an impairment or not is subject to an analysis at each balance sheet closing date. In that analysis, we take into account the following criteria to identify durable losses in value, on the one hand, and to assess whether the recognition of an impairment is required:

##### Criteria for determining durable losses in value

- The insurance portfolio / the relevant separate management;
- The ability of the company to hold these securities to maturity;
- The duration of the unrealized loss observed.

##### Criteria taken into account to determine whether an impairment should be recognized

- A significant increase in credit spreads for listed issuers;
- A significant deterioration in credit rating;
- A voluntary or imposed restructuring of the debt;
- The occurrence of a credit event under ISDA rules;
- Significant financial difficulties;
- A failure to pay interests or principal;
- The disappearance of an active market for that financial asset because of financial difficulties;
- A significant decrease in the value of collateral or underlying assets.



With regard to the perpetual loans, the difference between their purchase price and their lower market value is to be considered as a permanent impairment so that these securities are valued at the lowest value between their book value and their market value.

In case of disposal of securities, the book value, used to calculate the realized gains and losses, is determined on the basis of the weighted average price.

Within the framework of an arbitrage operation, the realized gains and losses on the balance sheet are maintained and recognized through profit or loss over the term of the re-investment.

#### **Mortgage loans and mortgage credits - Other loans (C.III.4 & C.III.5)**

Impairments are applied to this loans according to the same rule as the one applied to item C.III.2 above.

#### **Investments related to operations linked to a Life business investment fund whose investment risk is not borne by the company (heading D - branch 23)**

These investments are recognized in the balance sheet at their actual value (market value).

#### **Deposits with credit institutions (sub-heading C.III.6)**

#### **Receivables (heading E)**

These items are recognized at their nominal of purchase price.

For insurance receivables related to Non-Life premiums, impairments are made after one year (accounting date). Furthermore, impairments are registered to take into account the uncertainties of their recovery.

#### **Available values (sub-heading F.II)**

These items are recognized at their nominal of purchase price.

#### **Reinsurers' share of technical provisions (heading D. bis)**

This item shows the reinsurers' commitment. The amounts recorded are obtained in accordance with the various applicable reinsurance treaties.

#### **Other asset elements (heading F)**

#### **Tangible assets (sub-heading F.I)**

The tangible assets are capitalized at their purchase or cost price, including incidental expenses.

The depreciations are carried out using the linear method at the following rates:

- plant, machinery, electronic equipment: 33 1/3 %
- rolling stock: 25 %
- office furniture and equipment: 10 %
- The office furniture and equipment of which the purchase price is lower than 250 euros are depreciated within the first year.
- medical devices: 20 %

## **Liability side of the balance sheet**

### **Technical provisions (heading C)**

These provisions are calculated with prudence, taking into account the statutory and regulatory dispositions established by different control organizations.

The equalization and catastrophe provision is valued using the actuarial method.

#### **Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company (heading D - branch 23)**

These provisions are estimated based on the actual value of the assets under heading D.

#### **Provisions for other risks and expenses (heading E)**

The provisions for foreseeable risks and expenses are determined with prudence, sincerity and good faith.

The provisions with regard to the previous financial years are regularly reviewed and recognized through profit or loss if they serve no longer any purpose.

Deposits received from reinsurers (heading F) and debts (heading G)

These items are recognized at their nominal value.

#### **Other particular rules**

#### **Accounts denominated in currencies**

The monetary items are valorized in euro at the spot price at the closing date of the financial year.

The non-monetary items are maintained in euro at their purchase price.

The balance of the negative differences resulting from the conversion of monetary items, other than the technical provisions, is recognized through profit or loss. The balance of the positive differences is recognized in the accruals as deferrable proceed.

#### **Derivatives**

The derivative financial instruments, used on a speculative basis, follow the prudence principle. This means that the unrealized losses are subjected to impairments or are used to constitute provisions for financial risks. However, the unrealized gains are not recognized through profit or loss.

The forward transaction in micro hedging or concluded within the framework of the ALM management are symmetrically valued with the allocation of costs and income of the hedged items for the residual lifetime of these items. Forward transactions for hedging purposes are forward transactions having the purpose of the effect to compensate or to reduce the risk on an asset, a liability, a right, an obligation, an off-balance sheet commitment or a set of items that are homogeneous in nature with regard to their sensitivity to interest rate variations.

Finally, the hedging transactions or the transactions concluded within the framework of the ALM management must be recognized as such and this, from the conclusion of the transaction.

### **N°21. Changes to valuation rules:**

None.

### **N° 22. Declaration regarding the consolidated income statement**

The company prepares and publishes a consolidated income statement and a consolidated annual report in accordance with the Royal Decree on the consolidated income statement of insurance and reinsurance companies:

yes / no (\*): Yes

## N° 23. Additional information to be provided by the company on the basis of the decree of 17/11/1994

Art. 27 bis § 3, last paragraph

Amounts

### 2. Bonds and other fixed-income securities

26,813,133

#### Derivative financial instruments used

Forward buy swaps	4 financial year transactions
Forward bonds coupled with forward swaps	3 acquisition transactions and 7 financial year transactions
Cap/floor	
Inflation swap	1 acquisition transaction and 1 disposal transaction
Index Put	4 acquisition transactions

Profit and loss accounts	Result	Reversal of impairment losses	Provision for impairment losses	Accrued interests not yet due
Forward bonds coupled with forward swaps			-2,344,465	
Cap/floor				
Inflation swap				-810,339
Index Put	-40,612		-183,530	

### Goodwill

The amount of 33 million euros shown on the assets side of the balance sheet under the heading "II.1 Intangible assets - Goodwill" includes:

- Goodwill resulting from the merger with Whestia in 2017, for a net amount of 13 million euros (gross value of 26 million euros), amortized over the duration of the commitments, viz. 10 years;
- Goodwill resulting from the acquisition of the "Work Accidents Law 1967" portfolio as at 31 December 2017, for an amount of 20 million euros (gross value of 34 million euros), amortized over 10 years, based on the duration of the commitments.

- participating in the capital increase of Finance&Invest.Brussels;
- participating in a private placement for the German-speaking region;
- an investment of 80 million euros for the 4 public funds constituted by the Walloon Region, the Flemish Region, the Federal State and the Brussels-Capital Region. It should be noted that Ethias is the largest private contributor to these stimulus funds.

### Flooding

In the face of the disaster that shook many regions in July 2021, Ethias was keen to respond to the needs of its policyholders in distress. Hence, Ethias has:

- Directly provided an advance of 1,500 euros upon opening a claims file;
- Set up "mobile crisis centers" in charge of criss-crossing the most affected cities in order to go directly to the victims to proceed with the first administrative formalities;
- Offered numerous meals in several disaster-stricken cities as well as financial aid to the Red Cross;
- Strengthened its Claims Management Teams to speed up the processing of claims files and compensate policyholders as quickly as possible. As of January 19, 2022, nearly 90% of the B2C expertises have been closed.

Given the extent of the damage, the insurers and the Regions got together and signed an intervention protocol to share the burden. This protocol stipulates that once the claims payments exceed the insurer's double intervention limit, a "loan" is recognized as financial asset item per Region. This contains the claims payments attributable to the governments, i.e. the claims amounts paid beyond the insurer's double intervention limit without any counterpart in technical accounting. Total loans as at December 31, 2021 amount to 108 million euros. An estimate of the amounts borne by the governments that the insurer will have to pay after December 31, 2021 is recorded off-balance sheet for an amount of 178 million euros.

### Allocation to the flashing-light provision

On 15 December 2021, the National Bank confirmed, pursuant to Article 34quinquies, § 4 of the Royal Decree of 1 June 2016 amending the Royal Decree of 17 November 1994 on the annual accounts of insurance and reinsurance companies, that it granted to Ethias SA the exemption from the obligation to provide additional provisions for the 2021 financial year, as the solvency requirements were met.

### COVID-19 crisis

In 2021, Ethias has pursued its four-phase strategy that was adopted at the beginning of the health crisis, namely the protection of its employees, its clients, the company and society at large.

Ethias has continued to offer initiatives in favour of its B2C and B2B clients. In addition to extending coverages and granting payment delays, Ethias has also provided free Civil Liability and Bodily Injury insurance for all vaccination centres and has offered psychological support services to students, self-employed and small businesses insured with Ethias.

With regard to the protection of society, Ethias is involved in projects related to the economic recovery at both federal and regional levels and has been able to concretize its participation through the following initiatives:

- granting a loan to SRIW;
- participating as an expert in sessions related to the organization of project financing at the federal level;

## 13.4 Social balance sheet

Number of the joint committee competent for the company: 306

### Situation of the persons employed

Employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.

2021 (During the year)	Total	Men	Women
<b>Average amount of employees</b>			
Full-time	1,492	805	687
Part-time	440	149	292
Total in full-time equivalents (FTE)	1,774	890	884
<b>Number of hours actually worked</b>			
Full-time	2,153,566	1,182,980	970,586
Part-time	418,167	136,360	281,807
Total	2,571,733	1,319,340	1,252,393
<b>Employee benefit expenses</b>			
Full-time	148,094,168	81,349,946	66,744,223
Part-time	28,756,092	9,377,062	19,379,030
Total	176,850,260	90,727,008	86,123,252
<b>Amount of benefits granted in addition to wages</b>	<b>207,079</b>	<b>106,235</b>	<b>100,844</b>

2020 (During the year)	Total	Men	Women
<b>Average amount of employees</b>	<b>1,745</b>	<b>891</b>	<b>854</b>
<b>Number of hours actually worked</b>	<b>2,590,566</b>	<b>1,358,686</b>	<b>1,231,879</b>
<b>Employee benefit expenses</b>	<b>186,085,530</b>	<b>97,597,162</b>	<b>88,488,368</b>
<b>Amount of benefits granted in addition to wages</b>	<b>251,505</b>	<b>131,908</b>	<b>119,597</b>

2021 (At the financial year's closing date)	Full-time	Part-time	Total (FTE)
<b>Number of employees</b>	<b>1,553</b>	<b>423</b>	<b>1,824</b>
<b>By type of employment contract</b>			
Permanent contract	1,467	421	1,737
Fixed-term contract	76	2	78
Replacement contract	10		10
<b>By sex and educational level</b>			
<b>Men</b>	<b>838</b>	<b>141</b>	<b>920</b>
secondary education	106	69	145
higher non-university education	431	49	461
university education	301	23	314
<b>Women</b>	<b>715</b>	<b>282</b>	<b>905</b>
secondary education	84	82	131
higher non-university education	353	134	452
university education	278	66	323
<b>By professional category</b>			
Management staff	25	1	26
Clerical staff	1,528	422	1,799

### Temporary staff and persons made available to the company

2021 (During the year)	Temporary staff
<b>Average number of persons employed</b>	<b>4</b>
<b>Number of hours actually worked</b>	<b>7,754</b>
<b>Costs for the company</b>	<b>230,040</b>

## Table of the staff turnover during the financial year

Entries	Full-time	Part-time	Total (FTE)
<b>Number of employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.</b>	165	8	171
<b>By type of employment contract</b>			
Permanent contract	93	6	97
Fixed-term contract	62	2	64
Replacement contract	10	0	10
<b>Exits</b>	<b>Full-time</b>	<b>Part-time</b>	<b>Total (FTE)</b>
<b>Number of employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.</b>	95	25	108
<b>By type of employment contract</b>			
Permanent contract	71	24	84
Fixed-term contract	20	1	21
Replacement contract	4	0	4
<b>By reason of termination of the contract</b>			
Retirement	3	19	12
Unemployment with company allowance	0	0	0
Dismissal	5	2	7
Other reason	87	4	90

## Information about training for employees during the financial year

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2021	Men	Women
<b>Formal initiatives of continuing vocational training paid by the employer</b>		
Number of employees involved	519	587
Number of hours of training	6,224	6,572
Net costs for the company	810,589	883,934
of which gross costs directly linked to trainings	817,999	892,316
of which contributions and deposits paid to collective funds	0	0
of which allowances and other financial benefits received (to be deducted)	7,411	8,381
<b>Less formal or informal initiatives of continuing vocational training paid by the employer</b>		
Number of employees involved	874	927
Number of hours of training	6,933	7,212
Net costs for the company	487,321	506,896

**14. Statutory auditor's report on the annual accounts  
for the year ended 31 December 2021**

**STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF ETHIAS SA/NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

---

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of Ethias SA/NV (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 20 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit and risk committee and the proposal formulated by the workers' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's annual accounts for fourteen consecutive years.

**Report on the annual accounts**

***Unqualified opinion***

We have performed the statutory audit of the Company's annual accounts, which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 19.090.246.499 and a profit and loss account showing a profit for the year of EUR 188.088.100.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2021, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

***Basis for unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory Auditor's responsibilities for the audit of the annual accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Adequacy of technical provisions

##### *Description of the key audit matter*

As of 31 December 2021, technical provisions amount to EUR 13.827 million and represent 72% of the total balance sheet.

The adequacy test of these provisions is complex and relies on a significant degree of judgment. The assumptions used may be influenced by economic conditions, future management actions as well as by the laws and regulations applicable to the Company.

Given the materiality of these technical provisions in the annual accounts as well as the risk of inadequacy, we consider the adequacy of the technical provisions to be a key audit matter.

##### *How our audit addressed the key audit matter*

Assisted by our internal actuarial experts, we reviewed the design and tested the operational effectiveness of the key controls put in place by the Company to guarantee the adequacy of technical provisions. We have also paid particular attention to the controls implemented by the Company to ensure the quality of the data used in the framework of the technical provisions adequacy test.

We also assessed the relevance of the technical provisions adequacy test, considering the current market conditions, as well as its adequacy in relation to the technical results observed during the past financial year.

Finally, we performed an independent test on the adequacy of technical provisions and compared it with the amounts determined by the Company.

Note that we have shared and corroborated our conclusions with the actuaries and the actuarial function of the Company.

Based on our audit, we believe that the assumptions used to determine the adequacy of technical provisions are reasonable. The independent tests we carried out did not reveal any exceptions as to the adequacy of the technical provisions.

#### Valuation of investments for which a price quoted on an active market is not available

##### *Description of the key audit matter*

The Company holds investments for which there is no quoted price in an active market. Indeed, the fair value of a certain number of these investments is determined using valuation techniques which are based, or not, on observable market data.

As of 31 December 2021, the Company held assets valued by a non-independent counterparty (mainly bonds and other fixed income securities) for an amount of EUR 874 million and internally (mainly “corporate” bonds) for an amount of EUR 180 million.

The valuation of these investments is a key audit matter due to the importance of the estimates made and the impact that the valuation may have on note 3 of the annual accounts and the determination of the impairments to be accounted for.

*How our audit addressed the key audit matter*

We have reviewed the design and operational effectiveness of the key controls put in place by the Company to ensure the accuracy of the valuation of these investments.

For a sample of investments, we also reviewed the estimates made and the key assumptions applied in determining the fair value. We also tested the standing data used in determining the fair value.

Finally, we involved experts in the valuation of financial instruments who independently recalculated the fair value of a sample of investments.

We believe that the key assumptions used in determining the fair value of these investments are reasonable. The independent tests we performed did not reveal any exceptions in determining the fair value of investments for which a quoted price in an active market is not available.

***Responsibilities of the board of directors for the preparation of the annual accounts***

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

***Statutory auditor’s responsibilities for the audit of the annual accounts***

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company’s future viability nor as to the efficiency or effectiveness of the board of directors’ current or future business management. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **Other legal and regulatory requirements**

### ***Responsibilities of the board of directors***

The board of directors is responsible for the preparation and the content of the directors' report, the separate report on non-financial information and the other information included in the annual report, of the documents required to be deposited by virtue of the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code and the Company's articles of association.

### ***Statutory auditor's responsibilities***

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, the separate report on non-financial information and the other information included in the annual report, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code, and to report on these matters.

### ***Aspects related to the directors' report and to the other information included in the annual report***

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report and the other information included in the annual report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:6, §4 of the Companies' and Associations' Code is included in a separate report from the directors' report. This report of non-financial information contains the information required by virtue of article 3:6, §4 of the Companies' and Associations' Code, and agrees with the annual accounts for the same year. The Company has prepared the non-financial information based on the internationally recognized reference framework "UN Global Compact". However, in accordance with article 3:75, §1, 6° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with these internationally recognized reference frameworks.

### ***Statement related to the social balance sheet***

The social balance sheet, to be deposited in accordance with article 3:12, §1, 8° of the Companies' and Associations' Code, includes, both in terms of form and content, the information required under this Code, including, but not limited to, in relation to salaries and education, and does not present any material inconsistencies with the information we have at our disposition in our engagement.

### ***Statement related to independence***

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the annual accounts.



### ***Other statements***

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code that we have to report to you.
- This report is consistent with the additional report to the audit and risk committee referred to in article 11 of the Regulation (EU) N° 537/2014.
- We have evaluated the property effects resulting from the decisions of the board of directors dated 28 January 2021, 24 February 2021, 25 November 2021 and 22 December 2021 as described in section 10.4 of the directors' report and we have no remarks to make in this respect.

Diegem, 8 April 2022

The statutory auditor  
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV  
Represented by

Tom Meuleman  
Réviseur d'Entreprises / Bedrijfsrevisor

## **15. Note: declaration on non-financial information**



# **NON- FINANCIAL REPORT 2021**

ethias

**“ Daring to be  
human together „**



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# Retrospective and vision of the Chairmen

The evolution of the COVID-19 pandemic, the increasingly frequent natural disasters and cyberattacks, war on Europe's doorstep... These risks impact us all in our daily lives and cause countless economic and human impacts.

They make us rely on our resilience capacity and commitment to build new points of reference in a world in full societal transition.

Moving forward in this new world in a fair and sustainable way requires resources, but above all a deeply human approach. For over 100 years, Ethias has been committed to Belgian society. It will continue to do so by providing coherent, innovative and sustainable solutions cohérentes, for all its stakeholders: employees, private and public policyholders, shareholders and the Belgian society.

In 2021, Ethias was keen to provide useful and concrete assistance. In addition to being the largest contributor to help the authorities revive the economy both at federal level and in the three regions after COVID, Ethias also showed up in the field.

During the **pandemic**, we donated hand sanitisers, PCs to children who needed them, we provided for psychological assistance, vaccination centres were granted free coverage, etc. During the terrible **July floods**, mobile crisis centres travelled through the affected areas to help the population report the damage, but also to bring comfort and answer questions







## PANDEMIC

Trophy 2021

from clients and non-clients alike. Meals were provided, mobile washing machines were available, solutions were found to quickly recover household appliances...

The Decavi Trophy that Ethias won in October 2021 for its initiatives related to the pandemic and its commitment to society is a further illustration of the commitment of 2,000 employees guided by unfailing energy, solidarity and benevolence.

These exceptional circumstances have not slowed down our innovation drive: new products and services in the fields of health, mobility and property protection have been developed thanks to our **solid group strategy** and the 5,000 talents within our group. Today, our experts are developing new solutions to emerging risks like health, psycho-social or climatic risks or the cyber threat, for example.

By integrating **sustainability** into all aspects of our business, we are strengthening our ability to be a strong and responsible player in society, creating jobs and solutions for the new world to come. We believe in the strength of the collective and the commitment of our talent-gether, let us dare to be this force for change. **DARING TO BE HUMAN TOGETHER.**

Our social responsibility action plan is again inspired by the United Nations Sustainable Development Goals. Throughout our 5<sup>th</sup> non-financial report, you will learn more about Ethias' many sustainable actions and ambitions around the 3 axes: **People, Profitability & Planet.**

We wish you a pleasant reading and remain – together with all our staff – attentive to your needs.

**Philippe LALLEMAND**

CHAIR OF THE EXECUTIVE COMMITTEE  
CHIEF EXECUTIVE OFFICER

**Myriam VAN VARENBERGH**

CHAIR OF THE  
BOARD OF DIRECTORS

# Sustainable Development Goals

## (Sustainable Development Goals or SDGs)

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and opportunities of people everywhere.

The 17 Sustainable Development Goals were adopted by all Member States of the United Nations in 2015, as part of the “2030 Agenda for Sustainable Development” which sets out a 15-year plan to achieve these goals.



- End poverty in all its forms everywhere



- End hunger, achieve food security and improved nutrition and promote sustainable agriculture



- Ensure healthy lives and promote well-being for all at all ages



- Ensure inclusive and equitable quality education and promote lifelong opportunities for all



- Achieve gender equality and empower all women and girls



- Ensure availability and sustainable management of water and sanitation for all



- Ensure access to affordable, reliable, sustainable and modern energy for all



- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



- Reduce inequality within and among countries



- Make cities and human settlements inclusive, safe, resilient and sustainable



- Ensure sustainable consumption and production patterns



- Take urgent action to combat climate change and its impacts



- Conserve and sustainably use the oceans, seas and marine resources for sustainable development



- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



- Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

# Presentation Ethias

---

## Our Brand Purpose

Our **Brand Purpose** defines the company's *raison d'être*: its moral principles beyond the profit motive. In this new world, we put people at the heart of all our actions so that they are an ever greater source of sustainable progress, equity and peace of mind for all.



This is the world today.

Health crises, digital divides, social inequalities, urgent climate issues ... These are new threats that are challenging the much-needed solidarity to build a responsible and sustainable society of the future. Human and ethical values are too often disregarded, even though they are our sole and unique way of existing.

That is why, at Ethias, we put people and the communities they live in at the heart of everything we do.

At the centre of our actions, our concerns, our resources and our goals. At the centre of our name, because the "h" in Ethias stands for humanity, symbolizing the human values that have always ensured our company's strong resilience.

At Ethias, we enable our staff and partners to grow and to give the best of themselves. We are agile and flexible. At this very moment, we are all working together to make life easier and more enjoyable for everyone. We want to bring a smile to people's faces and make threats disappear.

Because at Ethias, technology does not create distance, but brings people together. It facilitates contact, without replacing it. We are close to you, we speak the same language and we understand the world around you. Our job is to be a direct insurer, being in direct contact with life and bringing solutions to you directly.

We are here to protect you and to give you a helping hand ... allowing you to be yourself to the fullest, to become and to achieve what you want in life. Whether you are a single person, a couple, a family, an association, a company or a public body.

And to make this happen, we dare to be kind, understanding and empathic. We bring all these deeply rooted human values together in our unwavering determination for the well-being of everyone.

That is why our motto will always be:

**“Daring to be  
human together”**



## Proud of our values

Our values are the foundation of our identity, our culture and our personality. In a nutshell, they are the DNA of Ethias and were defined in 2018 with all Ethias staff.

### #Humanity

Humanity is at the heart of all our relationships which we treat with respect and empathy. We are a true partner to everybody we work with. For us, proximity and solidarity are no empty words.

[#Empathy](#) [#Respect](#) [#Proximity](#)  
[#Team](#) [#Solidarity](#)

### #Commitment

Every day for more than 100 years, we have been committed to our clients, to our colleagues and to society in an efficient way. We are reliable, trustworthy and willing. This commitment also relates to ethics, which remains at the root of all our actions, and to our social responsibility.

[#Confidence](#) [#Trustworthy](#)  
[#Efficiency](#) [#SocialResponsibility](#)  
[#Ethical](#) [#Responsible](#) [#100years](#)  
[#Proactive](#)

### #ClientSatisfaction

This is the driving force of our activities and of all our actions. Through 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](#)  
[usiasm](#)



## #Enthusiasm

Because whatever happens, a heart beats within Ethias. Every day, we demonstrate energy, vitality, optimism and dynamism. Our enthusiasm helps us to be creative and to undertake innovative projects.

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

---

## 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.

**Our mission manifests itself every day in the actions of all Ethias employees, so that together we can build the world we want to see tomorrow in line with our vision.**

---

## Our vision

**Our vision for the future is built around 3 axes:**

- **Direct:** we are a direct insurer, creating and strengthening relationships
- **Digital:** at the heart of our strategy, but serving people only
- **Public sector:** we are proud to be the number one insurer in the public sector and to be able to serve all citizens



# The strength of a group

Building on the success of its unique model, Ethias has taken a new step by further capitalising on the strengths and specificities of its subsidiaries to position Ethias as a value-generating group for all its stakeholders.

## From a strategy as an insurer to a strategy of integrated and durable services for clients and the public

The further integration of the group's entities allows us to rely on the synergies, expertise and talents of more than 5,000 employees to accelerate the implementation of various ecosystems such as health, ageing, mobility and public services. This allows Ethias to offer services beyond insurance contracts by also focusing on sustainability aspects.



**Ethias:**  
100 years of expertise in assisting clients with their needs to protect individuals and goods



**NRB:**  
provider of ICT solutions and services with a European vocation



**Flora:**  
100 % digital insurance



**Ethias Services:**  
innovative services in the fields of prevention, risk management and pensions



**IMA Benelux:**  
development and services related to Car, Home and Health Care assistance



**Ethias Pension Fund:**  
a unique multi-employer pension fund in Belgium that offers the best solutions for financing pensions

This strategy, which goes beyond insurance, is based on 5 pillars:



Offering extended **services**



Developing **digital** and **technological innovations** to serve people



Building **ecosystems**



Creating **synergies** and pooling **skills**



Building **partnerships** and rethinking the sales approach

In this report, the following logo indicates consolidated data:



## Ethias group: more than 5,000 employees committed to a more sustainable society

In line with the 2020 group strategy, this non-financial report integrates the activities of the subsidiaries, including NRB SA, but excluding the subsidiaries of the NRB group and IMA Benelux.

## Innovation Hub

Solutions must be innovative to face the challenges ahead. Any company that wants to be a long-term player must meet client expectations with creativity and sustainability.



In 2020, Ethias has set up an **Innovation Hub** to boost the creation of new services closely or remotely related to insurance. It is an **open, flexible and participatory** entity. Its team is composed of different and multidisciplinary profiles working with internal and external contributors. The Innovation Hub is a real space for **co-creation, experimentation, acceleration and realisation of projects**. This structure is also a **monitoring and analysis lab**, on the lookout for innovative developments to identify the most promising projects for our clients.

An **Innovation Board** has been set up to steer innovation at the Ethias Group level in an intrapreneurial and agile mode. The complementary nature of the Group's 5,000 employees gives a real boost to innovation, for the benefit of our clients and society in general.

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An **Innovation Board** has been set up to steer innovation at the Ethias Group level in an intrapreneurial and agile mode. The complementary nature of the Group's 5,000 employees gives a real boost to innovation, for the benefit of our clients and society in general.



## Values at the service of innovation

Our innovations reflect our commitment to a more **human** and **sustainable** society. The focus is on 3 ecosystems, which bring together the main societal challenges of today and tomorrow:



Health



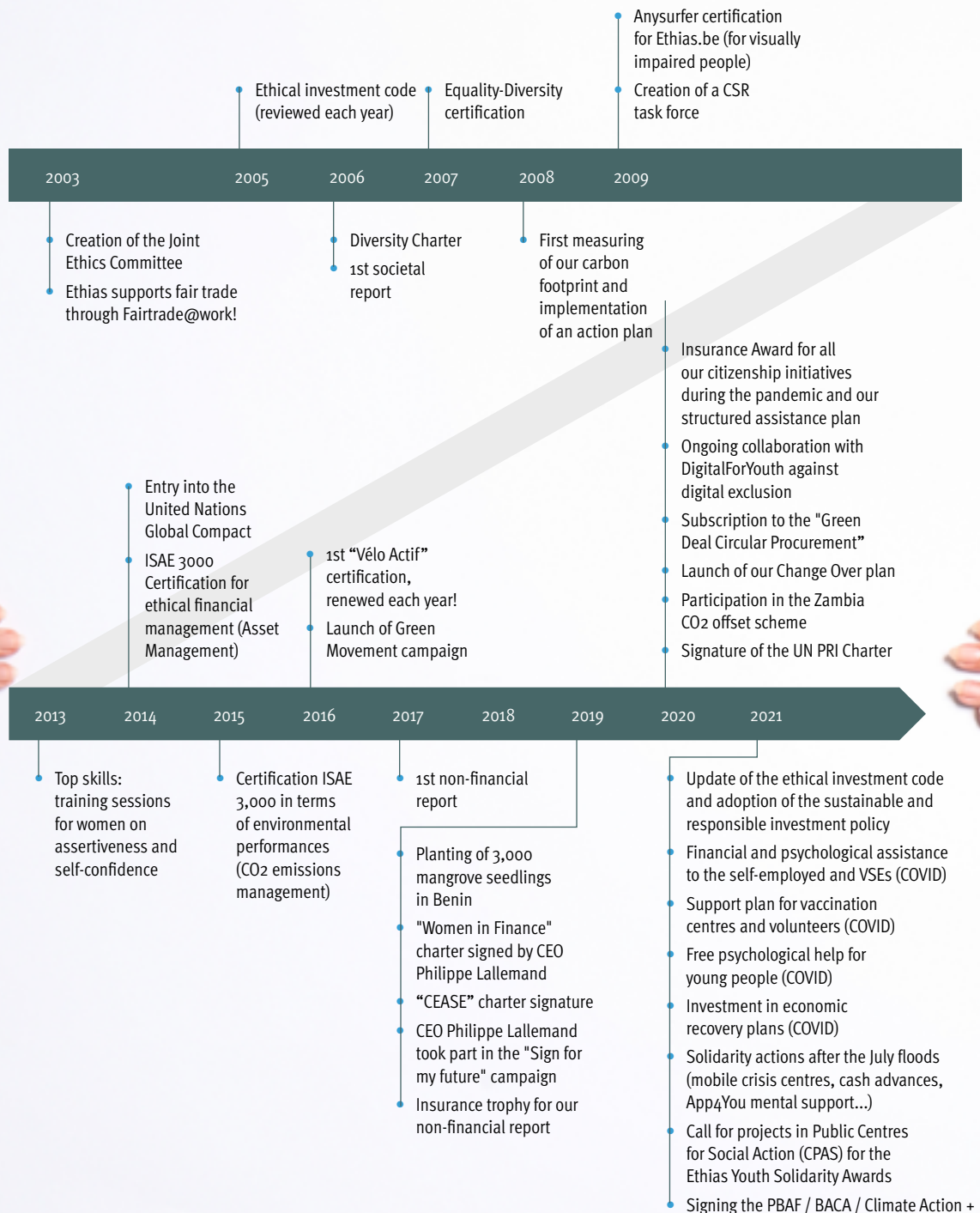
Mobility



Home

» Find our innovative services on page 37

# Sustainability at Ethias : Proven expertiseTimeline





# Review 2021

## New governance

Appointment of a Head of Sustainability and implementation of a stronger transversal organisation

## Diversity

4 axes : gender / age / disability / origin

## 17 Sustainable Development Goals of the United Nations



Approach rooted in worldwide concerns

## Post-flood actions



2,000 employees working alongside the affected population and volunteers

**85%** of claim cases opened in the first week

**84%** of B2C cases closed by 31 December 2021

## Ethias Youth Solidarity Awards

**450,000** euros to encourage Public Social Welfare Centres to fight against poverty among young people

## Climate



Towards carbon neutrality



**Direct footprint:**  
**3,839**  
tonnes of CO<sub>2</sub>, 90%  
of which comes from  
our vehicle fleet



**6,2%**  
reduction  
in carbon  
emissions



**1**  
wind turbine  
for IT energy  
needs

## United Nations Global Compact

Adherence, responsibility and commitments

## Measures to help and protect against COVID-19

Employees / Clients / Belgian population / Companies

**80M€** in support of various post-COVID recovery plans



## Finance



Sustainable and responsible investor

## Beyond insurance

An Ethias Group-wide strategy for more integrated services for the benefit of its clients



---

# Sustainability Strategy

## New strategy, new governance

Integrating sustainability into the company's strategy means, first and foremost, taking a 360-degree view and accepting that our thinking and decisions must take into account considerations for our stakeholders: clients, employees, shareholders, suppliers and society.

**Ethias' new Sustainability strategy is based on a stronger governance, built with a team of passionate employees, whose primary mission is to integrate sustainability criteria in all areas of the company's activities.**

Ethias is clearly not starting from scratch when it comes to sustainability: Corporate Social Responsibility (or CSR) has always been part of its DNA! A joint Ethics Committee was set up for this purpose in 2003. Over the years, Ethias has gained in notoriety for its social commitment thanks to many successful initiatives and actions.

In 2021, Ethias decided step up its game and strengthened its sustainability organisation by creating a new Head of Sustainability function and a whole new Sustainability team. Its main task is to define the guidelines for the sustainability strategy and to steer the integration of sustainability objectives in the company.

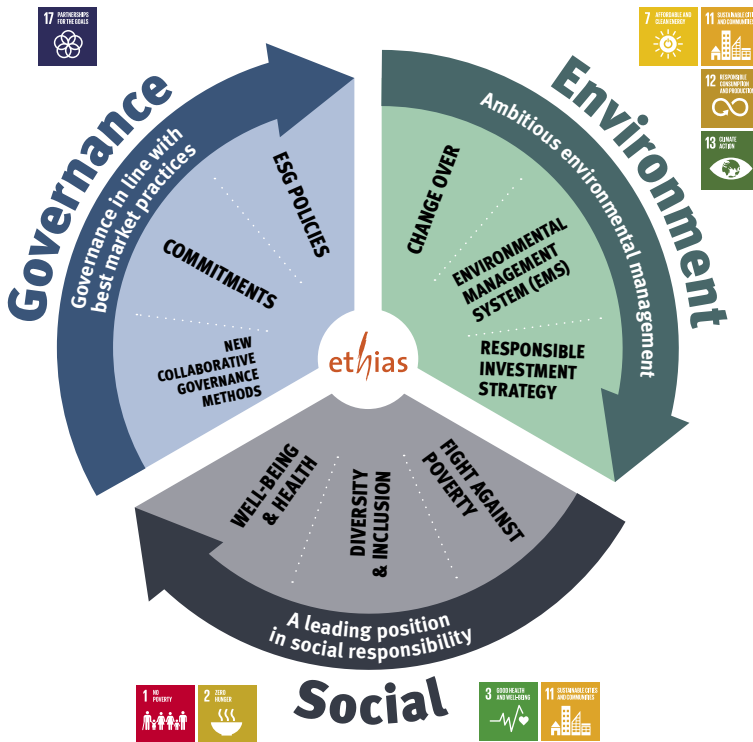
**Our new Sustainability strategy is built around the three main pillars known as ESG:**

- Environmental
- Social
- Governance

For each of these pillars, we involved our employees to set up a concrete action plan aimed at:

- **further reducing Ethias' ecological footprint** through ever more ambitious environmental management and even more sustainable investments
- **creating a modern governance** that allows employees to actively participate in new forms of collaboration on sustainability projects
- **above all, remaining people-oriented by being continuously present alongside those who need assistance**, clients or not (poverty, inclusion, health, assistance, prevention, diversity)

# Group-wide ESG policies



Our new strategy is in line with the United Nations' Sustainable Development Goals (SDGs). We believe that we can make the greater difference by aiming at these goals. The goals are eradicating poverty, promoting health for all, creating more sustainable cities and communities, and fighting climate change.

Other issues are also tackled, such as concrete commitments on ending hunger, access to reliable, sustainable and affordable energy services, and promoting more sustainable consumption and production methods.

## Network of strong and committed partnerships

Ethias aims to offer its sustainability expertise and experience to the public by collaborating on responsible investment initiatives and ESG-related partnerships listed in this report.

**“Sustainability strategy is not a one-man job. It is such a broad topic, with implications for the whole company and beyond, that is continually evolving as we identify the need for changes. Just like trees in a forest that support and help each other so that they can all flourish and find their own place. We are all sowing the seeds of the company and the world we want to shape for tomorrow.”**

Bénédicte PASSAGEZ, Head of Sustainability, Ethias



## Our policies, charters and codes

All of our commitments and principles described here are formalised in our policies, charters and codes on our website:

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

# People

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**Daring to be  
human together**

# For our employees

The human capital is Ethias' most valuable asset. During the COVID pandemic, Ethias was able to ensure business continuity while protecting and supporting its employees at all levels.

## Working Apart Tomorrow Together

### Hybrid work

Ethias has decided to make hybrid working the new normal.

This organisation combines working from home and at the office to provide employees with more flexibility in their work schedule while maintaining team spirit.

### Working from home – office work

The COVID pandemic has called upon the great resilience of our employees.

For the sake of a smooth work organisation and clear measures, HR drafted a 7-phase plan that can be activated depending on the situation.

### Extra days off

When employees work from home, overtime is not recorded in the timekeeping system.

### Work from home allowance

To reduce the costs of working from home, Ethias granted an allowance in 2021.

### Shared offices at the Hasselt headquarters

Since September 1<sup>st</sup>, 2021 we have been implementing a shared office concept. Shared spaces instead of dedicated offices, with a clean desk policy. Employees were given the appropriate equipment: a wireless keyboard and a personal locker.

## Health measures

### Self-tests and masks

Inspectors and employees in the regional offices were provided with FFP2 masks. Each employee received 6 antigen tests and two cloth masks.

### COVID bonus as a way for the management to say thank you

In 2021, each employee received:

**450**

450 euros in vouchers  
(agreement between  
Assuralia and unions)

**50**

50 euros in gift  
vouchers from the  
management

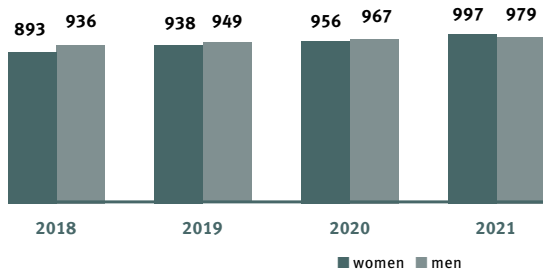
**1**

1 day off per  
quarter while  
mandatory working  
from home

## Social cohesion

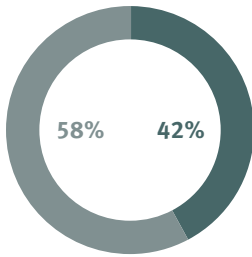
Ethias would be nothing without the strength and commitment of its 1976 employees! For Ethias, social cohesion and the well-being of its staff is an absolute priority that is directly in line with its ESG values and commitments.

A respectful, collaborative and responsible social dialogue has always been part of Ethias' corporate culture. The social cohesion of our company allowed us to thrive for over a century.



# 1976

At 31 December 2021, the company had 1,976 employees (997 women and 979 men).



Gender distribution in the Ethias Group as of 31 December 2021

■ women ■ men

# 10

10 info sessions and workshops took place in 2021, with an average of 73 participants per session



### A strong sense of belonging, even when working from home

Ethias planned two virtual staff parties in January and June 2021. Through various channels, Ethias employees were able to stay in touch with their colleagues and company. One of the main communication channels was the intranet, which allowed employees to keep up to date with company news. The CEO also demonstrated his involvement by sending a regular e-mail to all employees. Finally, info sessions and workshops during the lunch break or working hours played an important role in internal communication.

### New staff restaurant

Restaurants in Liège and Hasselt were re-designed. Our new caterer, The Food Show, is committed to providing fresh, tasty and healthy food, as well as a pleasant and welcoming environment.

Free fruit all day.



### All together during the floods

During the floods of July 2021, Ethias employees showed great solidarity with their clients, but also with each other. Some of them interrupted their holidays to come back to work, our B2B and B2C inspectors did their best to make the first assessments, mobile crisis centres helped clients to report their claims and some regional offices were open to clients even on weekends. War rooms were set up in Liège and in the regional office of Alleur in order to centralise claim follow-up. The cohesion feeling made the workload more bearable for these employees.



# Diversité

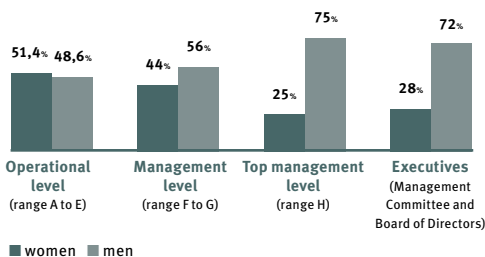
Diversity at Ethias is based on 4 pillars:



## Gender (male/female)

For our business to remain sustainable and strong, we need men and women working together to promote an inclusive corporate culture and to bring out the best in women. The **Women in Finance** charter is an initiative of the financial sector (Belgian Financial Forum) and various institutions founded by Women in Finance Belgium. Bringing together financial organizations helped to promote gender balance and share good practices. On June 17, 2019, many Belgian financial companies signed this charter. **As a socially responsible insurance company, Ethias was among the first signatories.**

Gender distribution as of 31 December 2021



We note that there is still an unequal distribution in management functions. Action plans for the next few years should lead to more equality at all levels.



## Age (intergenerational dynamics)

### Training

Training is an important pillar for Ethias. That is why we want to offer trainees a valuable first experience. In return, they can provide valuable support to our employees.

### YouthStart

Ethias has entered into an initial three-year partnership (2018-2019-2020) with **YouthStart**, a non-profit that aims to boost the self-confidence of young people aged 16 to 30 in search of opportunities. **This association helps young people to step into the corporate world and delivers them a well-deserved certificate at the end of the training.** In 2021, we renewed our three-year partnership for the period 2021-2022-2023.

# 35

Ethias welcomed **35 interns in 2021** (low figure due to the pandemic)

# 15,000

Ethias supports **YouthStart with €15,000 per year.**



## Disability (able-bodied/disabled)

### Accessibility

Of our 37 regional offices, 32 are accessible to people with reduced mobility (26 are specially adapted and 6 are equipped with an access ramp or elevator).

A personal welcome is the first service to be provided to people with disabilities:

- Attitude and general behaviour: courtesy, listening, friendliness (e.g. notebook and a pen for the hearing impaired).
- Mobility: large spaces and barrier-free pathways.
- Facilities: seating, lighting, gates, toilets, etc.



## Origin (ethnic and cultural diversity)

### Mentoring projects

Ethias works on several mentoring projects. Ethias finances the operation of the company. Several colleagues act as mentors for jobseekers with a migrant background who have difficulties in accessing the labour market. For staff members who take up this challenge, Ethias offers the possibility to do mentoring work during their working hours.

### Be.Face

- In the Be.Face business network, companies pool their resources for the **inclusion of disadvantaged populations.**

### DUO for a JOB

- **DUO for a JOB** connects young people with an immigration **background looking for a job with people over 50 who offer their experience to help these young people find work.**

### Mentoring@Work

- The Minderhedenforum, with which Ethias had been collaborating since 2019, stopped its Mentor2Work activity in 2021. **Ethias found a new partner in Mentoring@Work in 2021.**



# 10,000

In 2021, Ethias signed a new cooperation agreement with DUO for a JOB. The agreement was for an annual lump sum of €10,000.



# Prevention of psychosocial risks

## Disconnect to connect



At Ethias, we value the well-being of our employees. **They must be able to take the plug out from time to time so they can remain focused.** This is why Ethias launched the internal campaign “Disconnect to connect” in 2021. Ethias wants to help its staff go through this process by providing information, tools and support.

**able to take the plug out from time to time so they can remain focused.** This is why Ethias launched the internal campaign “Disconnect to connect” in 2021. Ethias wants to help its staff go through this process by providing information, tools and support.

## MyMindScan

MyMindScan (MMS) is an online tool that **monitors mental resilience.** By using six scientifically validated factors, MyMindScan identifies the resilience and personal profile of each colleague.

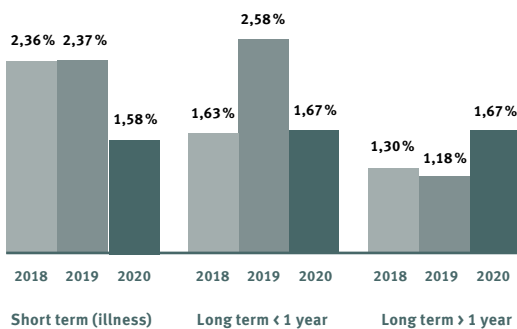
## My Workplace Options

In 2020, Ethias introduced the My Workplace Options Hotline. Employees could book a phone appointment with a psychologist free of charge. In 2021, this offer was extended to the **“Employee Assistance” program.** Employees were able to call on practical assistance or plan coaching sessions. **This offer is intended for employees and their families.**

## Reintegration

Since 2017, managers have been given training on burn-out prevention. A formal and informal reintegration procedure for the long-term sick has been launched, with the support of trade unions, human resources management and persons of confidence.

### Absenteeism rate



# 50%

More than 50% of employees participated in MyMindScan at least once in 2021.

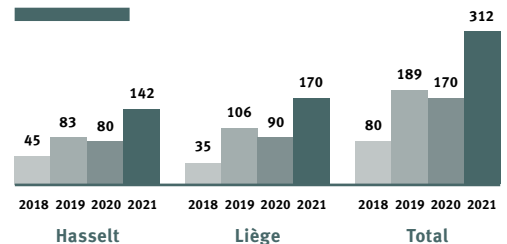


## Confidential counsellor

The persons of confidence are part of the psychosocial unit. Their mission is broad, as they help employees with all problems related to violence, harassment or sexual harassment at work, but also stress, burn-out, conflicts, etc.

# 312

In 2021, 312 people had an appointment with our person of confidence (170 in Liège and 142 in Hasselt)



# 29

In 2021, 29 people were involved in the formal reintegration process.



The increasing number of employees who called on the services of persons of confidence in 2021 is the result of an internal campaign to promote the well-being of employees after a long period of working from home.

## Optimisation of informal internal procedures

In 2021, the psychosocial unit standardised their internal informal procedures. This means that each employee will receive the same support and that each case will be managed in the same way.

## Reinventing Human Resources

Ethias offers its staff many opportunities to evolve in exciting and varied positions, far from the clichés of the insurance industry. At the same time, it aims to promote a balance between professional and private life.



# 173

173 people were hired in 2021



# 453

In 2021, there were 453 transfers

### Onboarding

In 2021, the recruitment process still had to go through video conference. If possible, physical interviews took place.

### Internal development opportunities

At Ethias, employees have the necessary tools to continue to grow and change positions within Ethias.

### MyLearning

Training is one of these tools. On the digital platform MyLearning, employees can, in consultation with HR and their manager, choose the training that suits their career.

#### Number of training courses in 2021 and number of participants:

- 62 online courses (2,974 employees)
- 178 webinars (1,065 employees)
- 27 blended learnings (341 employees)
- 13 coaching sessions (30 employees)
- 153 lectures (850 employees)

#### First aid team

# 61

There are 61 first aiders at Ethias: 40 in Liège and 13 in Hasselt  
57 first aiders followed an online refresher training: 40 in Liège, 11 in Hasselt

#### Blood donation

# 73

73 employees gave blood at a blood centre

Other actions could not take place due to COVID. Staff were still able to go to local blood centres to donate blood during working hours.

#### Flu vaccine

# 318

318 people got a free vaccine shot against influenza



## Well-being trainings

Ethias wants to give its employees the tools they need to perform in their professional tasks, but also to promote their well-being. This is why Ethias regularly organises workshops and information sessions.

- Lunch & Learn sessions
- Webinar: Gunnar Michielsen "How to survive working from home".
- Webinar: Koen Daems "Disconnection and Office365".



### Ethias Young Talent Development Program

In 2021, the People & Organization department launched the second editions of Young Talent Development Program for employees under the age of 35. In collaboration with the University of Liege and the University of Hasselt, Ethias wants to give young employees the opportunity to discover and develop the skills of the future.

**33** Out of 33 applications, 22 candidates were selected

## Leadership@Ethias

In 2019, the Human Resources department launched a new management skills development program called Leadership@Ethias. In 2020, the program was interrupted prematurely due to COVID, but resumed in 2021.

In 2021, a coaching needs analysis was carried out via 130 individual interviews with managers. Based on the results, we designed the leadership@ethias programme for field managers.



## Employee Engagement Survey

In 2019, Ethias employees took the Employee Engagement Survey. They were asked about their engagement and enablement. Areas of improvement are opportunities for Ethias to grow and optimise its working environment for the employees, the driving force of the company. A second survey was conducted in 2021.

**87%** of colleagues took the survey

**86%** see Ethias as a responsible company

**86%** believe in the company's values



## MyLife@Ethias

Due to the uncertainties of life, but also the improvement of the standard of living, Ethias wants to pay more attention to sustainable growth and the preservation of resources, including human potential.

HR's ambition is to move forward, to improve and to anticipate needs.

This is why HR has embarked on a long-term project to listen to its employees and make their careers sustainable. Ethias is taking the pulse of three target groups to draw up a tailor-made plan:

- **Early career: young people up to the age of 30**
- **Mid-career: +/- 40/45 years old, with 15 to 20 years' experience**
- **Late career: +/- 55 years old**

## Our HR policy in the spotlight

In 2021, two organisations analysed Ethias' HR policy: Voka and the Top Employers Institute. In both cases, Ethias was nominated for certification. This is a great recognition that also allows us to take a look at the company and identify opportunities for growth.

### Limburgse HR-Award from Voka - Kvk Limburg



Four organisations were nominated for the **Limburgse HR Award**. Four companies that, in their unique organisational

context, want to innovate on the basis of their own HR vision and strategy. Stimulating employees with concrete initiatives in an authentic and friendly organisation where job satisfaction and sustainable employment are taken very seriously.

Ethias submitted answers to a list of questions. These answers were then reviewed by a jury. Ethias finally received the award.

### Top Employer 2022 certification



In the spring of 2021, Ethias was given six weeks to complete a comprehensive survey: 400 questions covering 600 practices, divided into 6 themes and 20 sub-themes. These HR practices had to be supported by evidence, such as documents and screenshots. This was an extremely intensive exercise involving the entire People & Organizations team. The **Top Employers Institute (TEI)** then reviewed everything in preparation for their audit. This was followed by another intense period for Ethias to prepare for the validation session. The audit (validation session) took place on 9 September 2021. On 24 November 2021, Ethias received confirmation that it had been awarded the Top Employer label. However, this news remained under embargo until 20 January 2022.

## Staff Association

The Employee association was founded in 1959 and has 6.500 members (active colleagues and retired staff, their partner and children). It is better known as the Amicale in French or Vriendenkring in Dutch.

Even during the lockdowns of 2021, the Amicale has been very creative to keep its activities going. In these difficult times, it played a very important role in strengthening the bond between its members and Ethias. Yoga sessions and virtual fitness classes took place, as well as two online blind tests. It allowed the event "Dwars door Hasselt" to happen. It set up a private Strava group for Ethias staff. It ensured that the children of staff members could still receive their St. Nicolas present and finally organised a Peket Express walking rally in Liege. Members of the Amicale spent a week distributing food and drink in the Walloon municipalities most affected by the floods. It also called upon colleagues to help the victims financially. The money was donated to the ASBL Format'Age, which buys and distributes equipment to the victims. Ethias paid an additional €7,000 on top of the amount collected.

### Solidarity BBQ

**From 24 to 30 July, the Amicale makes barbecues to provide the affected population and volunteers with a comforting break.**





## For our clients

### COVID-19



Ethias launched numerous initiatives to support its clients during the COVID crisis and provided very concrete help to the insured self-employed and very small enterprises (VSEs) affected by the health crisis.

[An overview of all our actions is available on www.ethias.be/ActionsCOVID](http://www.ethias.be/ActionsCOVID)

### Floods



The floods caused our policyholders a lot of administrative problems. To ease their burden and speed up the follow-up of the many claims, Ethias took many proactive measures. First of all, we deployed mobile crisis centres in the affected areas. Ethias clients received the help they needed to file their claims. Secondly, there were 'Direct Expertise' days in some regional offices. During these days, clients who did not need an expert on site were able to complete their claim within 30 minutes. If they were missing quotes to complete their file, they could call on the quote factory set up by Ethias. An expert could then quickly give a price. In August, Ethias teamed up with the retail chains Exellent, Expert and Selexion to help replace damaged household appliances quickly. In addition to practical assistance, Ethias also offered psychological support to clients who needed it.

[An overview of all our actions is available at www.ethias.be/Inondations](http://www.ethias.be/Inondations)

**101** colleagues distributed  
**4,200** sausage rolls and more than  
**20,000** drinks



# Ethias in the Belgian society



## Ethias Youth Solidarity Awards

**With a budget of 450,000 euros, Ethias encourages the Public Social Welfare Centres (PSWCs) to fight against youth poverty.**

Ethias wants to help fight financial insecurity of young people and has therefore launched the first edition of the Ethias Youth Solidarity Awards. All Belgian PSWCs were invited to submit a project to fight poverty amongst the young. These projects can be about cultural participation, access to education, budget support, etc.

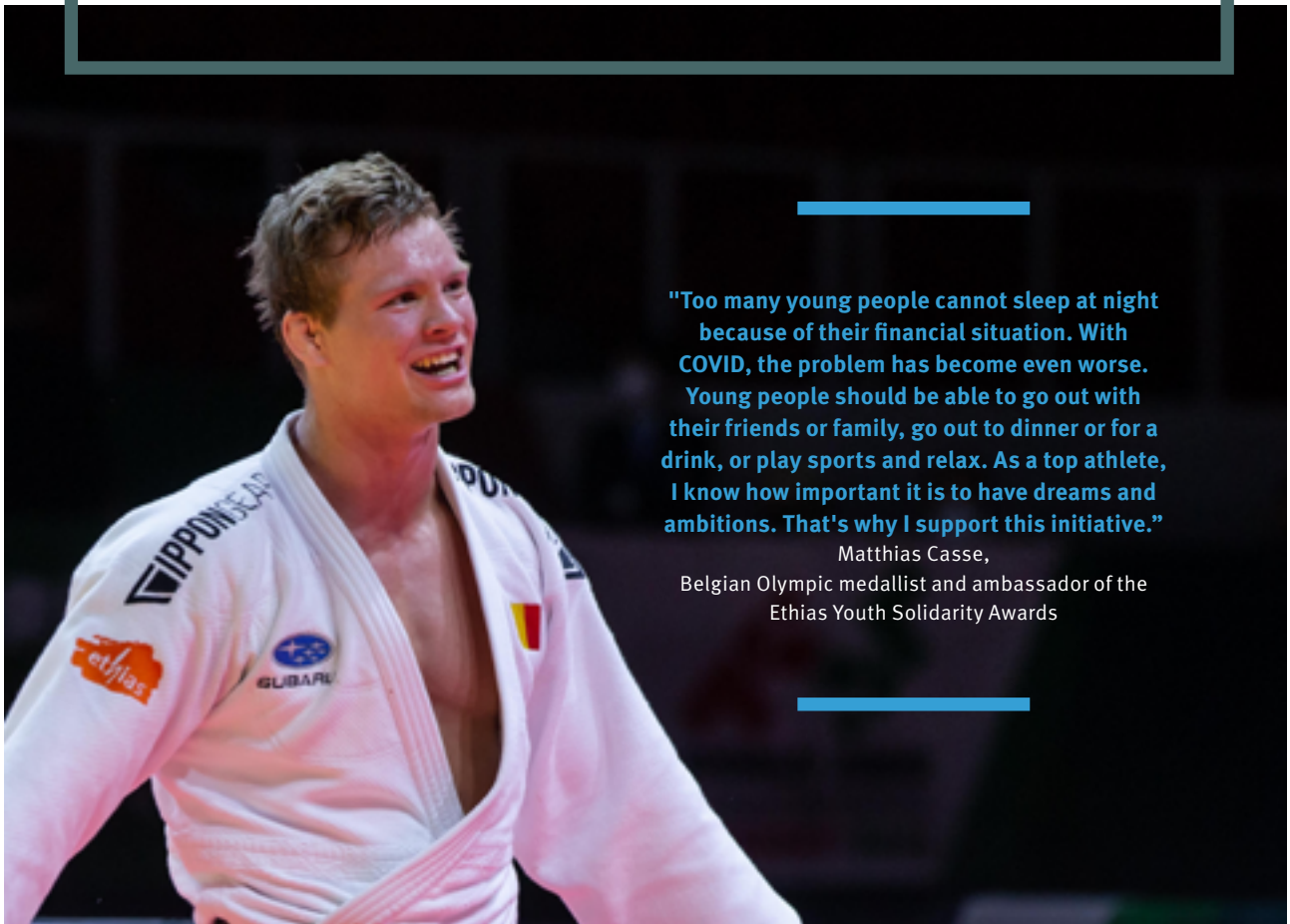
Three out of ten young Belgians (30%) have already experienced poverty. More than a quarter of young Belgians (27%) have even asked help to a PSWC and more than three in ten (33%) regularly experience less pleasure in life because of financial worries. These are just some of the alarming figures that emerge from a survey of 1,000 young people aged between 16 and 30 about their financial situation. The independent research institute Indiville carried out the study at the request of Ethias.

# 130

130 PSWCs  
responded to the call

# 102

102 projects  
were submitted



**"Too many young people cannot sleep at night because of their financial situation. With COVID, the problem has become even worse. Young people should be able to go out with their friends or family, go out to dinner or for a drink, or play sports and relax. As a top athlete, I know how important it is to have dreams and ambitions. That's why I support this initiative."**

Matthias Casse,

Belgian Olympic medallist and ambassador of the  
Ethias Youth Solidarity Awards



## Sponsoring & Partnerships

**Ethias' sporting, cultural and societal partners share its values: human, commitment, client satisfaction and enthusiasm.**

Ethias sponsors via financial contributions and/or via advertising support through its own communication channels. As a sponsor, it is actively involved in every project supported.

Ethias excludes any sponsorship of organizations that could associate its name with doping, corruption, violence, racism, incitement to hatred, addiction, public disorder, unethical beliefs, discrimination on the basis of race, gender, age, sexual orientation or conviction (for example homophobia, anti-Semitism, Islamophobia, etc.).

### Festivals

Live music brings people together, of all generations, in all their diversity and emotions. **Festivals:** Pukkelpop Zomerkwartier, Gent Jazz, Festival Dranouter, Dinant Jazz.

### Culture

Cultural activities give us a new and broader view of aspects of our life and society. **Cultural actors:** the Royal Opera of Wallonia, the National Orchestra of Belgium, the Royal Philharmonic Orchestra of Liege, etc.

### Sport

Sport is good for our health, our social life... In short, it makes us happier. Sporting events are also very important for bringing people together.

**Sports events:** Ethias Cross, UCI World Cup Cyclocross, Ethias Tour de Wallonie, Grand Prix de Wallonie, Bingoal Cycling Cup, Woman Race, Euromillions Cup finals volley, Mon Ventoux, Ethias Challenges, Count Me In, Start to Tennis, Start to Golf... Sports federations: tennis, volley, handball, golf... National teams: Yellow Tigers & Red Dragons (volleyball) and Red Wolves (handball), as well as umbrella organisations (Sport Vlaanderen, Vlaams Instituut voor Sportbeheer en Recreatiebeleid (ISB), AES, LOS and AISF).



#### Matthias Casse

In 2021, Matthias Casse, the world and European judo champion, became an Ethias ambassador. His dynamism, healthy lifestyle and ambition are fully in line with our values. He also wants to contribute to Ethias' ambition to encourage people to be more active!

#### Wout van Aert

In November 2021, Ethias partnered with Wout van Aert, three-time world champion in cyclo-cross et and professional World Tour cyclist. He will become its new ambassador as of 1 January 2022.





## Social partnerships

### Blue-bike

The partnership with Blue-bike, which started five years ago (2017), has been renewed for three years in 2020. Blue-bike and Ethias are now working even more closely together to develop active mobility in Belgium. In the summer of 2021, Blue-bike celebrated its tenth anniversary.

### Digital4Youth

Ethias makes its old ICT equipment available to Digital4Youth, an organisation that recycles this equipment and makes it available to young people in difficult situations.

### Pelicano Foundation

The Pelicano Foundation is committed to fighting child poverty in Belgium. Ethias employees can choose to donate an amount via their **Flex@Ethias cafeteria plan**. This amount is used to cover the basic needs of Belgian children living in poverty: meals, clothes, school supplies, doctor's visits, but also the costs of joining a youth movement or sports club.

As in 2020, Ethias conducted a market study. In order to maximise the number of participants in the survey for a highly representative sample, we set up an incentive in the form of a donation (to a charity). In 2020 and 2021, the donations were made to the Pelicano Foundation.

**This action brought in € 2,075 for Pelicano.**

In the autumn of 2021, the bees in the hives of the Hasselt headquarters and the regional office in Alleur delivered their first honey. These jars of Ethias honey were sold to employees at a price of €8 for 250 grams. The collected money will be donated to the Pelicano Foundation in 2022.



### Sint-Vincentius Association Genk

The Sint-Vincentius Association is an umbrella organisation for all people in need in Genk. Ethias gives its employees the opportunity to organise collection activities (clothes, toys, etc.) during working hours and makes its facilities available in Hasselt.

On the initiative of one of its employees in Liège, a similar action was undertaken in collaboration with the "Restos du Cœur" organisation in Seraing.

### Social sponsoring

- CIRIEC asbl
- Akcess de Prométhéa asbl
- "Vive le Printemps" (Orchestre National de Belgique)
- Asbl Article 27
- Belgian Red Cross
- Les Territoires de la Mémoire
- Creccide asbl

Ethias has also set up **prevention campaigns** by supporting, among others, **Route2School**, **Fédémot**, **Apper** and **Houtopia**.

In 2021, Ethias donated:

**171**  
docking stations

**368**  
monitors

**442**  
keyboards

**273**  
mice

**87**  
note books





## Ethias builds bridges with the academic world

Universities and colleges are pioneers in the search for solutions to the various challenges of today and tomorrow. By partnering with them, Ethias ensures that it stays ahead in the field of innovation.

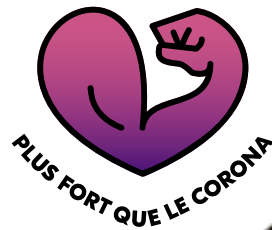
### UCL

The Ethias Chair "Pensions" has three goals:

- Reflect on the design of equitable and sustainable pension systems, in terms of their financing, architecture and governance, with a particular focus on the study of supplementary pensions.
- Contribute to the maintenance of a transdisciplinary platform for research on pensions at UCLouvain.
- Ensure the future of teaching on pension issues at UCLouvain and offer quality lectures on the problems and challenges of pension systems at the Belgian and European levels

**HEC Liège:** Ethias provides financial support for 4 years for a PhD thesis in the field of machine learning. This project focuses on the use of Belief Functions to describe decision making.

**UAntwerpen:** ALLIC, Antwerp Liability Law and Insurance Chair, is a chair of the University of Antwerp. ALLIC supports and promotes research (support for PhD students) and education (seminars, publications) on liability and insurance law.



## Stronger than Corona



As a committed Belgian insurer, Ethias has both feet firmly planted in society. Ethias supported not only its clients but also various sectors of Belgian society during the COVID crisis. Volunteers at the **vaccination centres** were covered free of charge by Ethias for civil liability and personal injury. Ethias also supported the "**Stronger than Corona**" campaign. In this way, we wanted to spread positivity rather than the virus.

All Ethias actions are available on the website [www.ethias.be/ActionsCOVID](http://www.ethias.be/ActionsCOVID)

## Floods



Ethias demonstrated its social commitment during and after the floods of 2021. Every affected person, whether insured by Ethias or not, **could go to mobile crisis centres for advice and assistance**. The **solidarity barbecues** organised by the Amicale were dedicated to the affected population and volunteers. Ethias also provided financial support to "Panier Solidaire", a non-profit organisation that distributes **food packages**. Flora, the 100% digital subsidiary of Ethias, turned a **container into a meeting centre in Chaudfontaine**. Finally, Ethias also provided support through digital means: **App4you**. Our digital solidarity platform was relaunched to appeal to everyone's solidarity.

All Ethias actions are available on the website [www.ethias.be/Inondations](http://www.ethias.be/Inondations)

# Profitability

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**Direct insurer**

The events of 2021 have reinforced the relevance of direct sales and the need for proximity. Many people have refocused on the essentials and have become aware of what is really important: health, the environment, prevention and solidarity. These are also essential to our business as a direct insurer, where we strive to provide support, services and multiple solutions to our clients.

### Our phygital model (or the best of both worlds)

Ethias puts the client experience at the centre of its concerns. And because behind each client there is not just a number, but above all a person, the Human being will come first every time for Ethias.

Even if digital technology is an essential opportunity to continuously improve and expand our range of products and services, we want above all to remain attentive to the expectations and needs of our clients. Halfway between digital and human contact, Ethias offers you the best of both worlds with a phygital approach. **Our goal? Providing you with a unique, simple, efficient and human experience.**

With the new Flora by Ethias roommate insurance, 13 insurance products can be taken out completely online, including payment



### Flood compensation in July 2021: our top priority



Ethias employees were on call 7 days a week for our policyholders.

We doubled the number of employees in charge of managing this type of disaster and our B2C and B2B sites were regularly updated to answer flood-related questions. A whole series of solidarity actions were quickly put in place: **mobile crisis centres, automatic cash advance for urgent expenses, "direct expertise" days to close a claim in 30 minutes, facilitation of communication with repairers to get a quote, a partnership with retailers** to quickly replace their damaged appliances at a fair price, solidarity operations organised by Ethias clients with a "Worker's compensation" and/or "Civil Liability" policy, proactive reminders to 220 clients living in heavily affected areas who did not respond our calls...

# 85%

85 % of claim cases opened in the first week

# 13 000

More than 13,000 claims declared by 31 December 2021

# 84%

84% of B2C files closed by 31 December 2021



## Deep respect for your privacy



Given our direct relationship with our clients, we believe strongly in consumer rights. **We treat the data entrusted to us very seriously and follow a strict governance in all our projects and actions.**

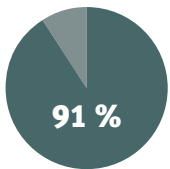
Compliance with the General Data Protection Regulation (GDPR) is everyone's business. Employees can count on a large network of legal advisors and the company raises the employees' awareness in a fun and educational way about day-to-day data confidentiality and the procedure to report data incidents without delay.

**In 2021, each Ethias employee was invited to take an online training programme based on the specificities of their job.**



## Our main drive: your satisfaction!

**Ethias is perceived in 2021 as a player with a wide range of insurance products, easily accessible, offering good value for money and quality service<sup>1</sup>.**

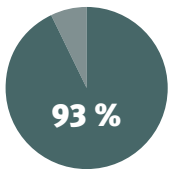


### Satisfaction measured among private clients<sup>2</sup>

The NPS study conducted in 2021 shows an **overall satisfaction rate** with Ethias of 91 %.



After an experience with Ethias, **2 out of 3 clients would recommend us to their family and friends**



### Satisfaction measured among corporate clients<sup>3</sup>

The **overall satisfaction rate** of our clients is particularly high (93%).



**9 out of 10 clients consider Ethias as their preferred partner** in the insurance field (Non-Life)

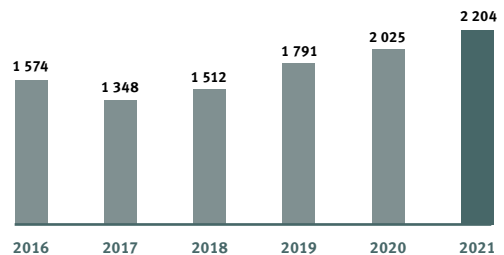
## Complaint management

**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.

An independent Complaints Correspondent will examine the file objectively and respond to the complainant within 20 working days of receiving the complaint. If this deadline cannot be met, the complainant will receive a detailed letter.

**Each year a report on the management of complaints is produced.**



**The increase in complaints in 2021 is closely linked to the exceptional handling of the number of claims related to the floods in July.** The emergency response to this unprecedented disaster required some departments to support the teams on the ground, resulting in a delay in the day-to-day management of routine cases.

1 These indicators come from the Brand Image study, which measures the positioning and image of Ethias towards private individuals (clients/prospects). 2021 sample: 2000 respondents  
 2 Indicators come from the NPS (Net Promoter Score) project, a tool created in 2014 to measure the satisfaction and recommendation rate of private individuals (clients & prospects) who have had contact with Ethias. 2021 sample: 25,548 clients.  
 3 Indicators come from the *Satisfaction & Moments of Truth* survey first conducted within public bodies in 2011 and renewed once every 2-3 years. 2021 sample: 135 B2B clients

# An increasingly sustainable product range

Through its products, Ethias aims to cover Belgian society in difficult times, to contribute to a healthier environment by encouraging responsible behaviour, and to make healthcare accessible to all.

## For our retail clients

### Mobility

Ethias offers a “under 10,000 km” insurance, a specific tariff for green vehicles, a unique “Ethias Young Drivers” offer as well as basic insurance at an accessible cost for more solidarity. Active mobility covered free of charge in the Family insurance.

#### Green Friday for electric vehicles

On Green Friday, Ethias offered a 15% discount on the first year of insurance for an electric vehicle in 2021. This offer, which can be combined with the advantages already reserved for drivers of electric or hybrid vehicles, resulted in a discount up to -45%!

#### A great opportunity to go green!

#### New version of Bike & More

Since 2018, the Bike & More insurance policy covers active mobility vehicles and promotes diversity in the means of transport used by the client. In 2021, Ethias is taking a further step in this direction and lowered the conditions to purchase the Bike & More product, particularly regarding the age of the vehicle and the anti-theft system.



# 31%

31% portfolio growth between 2020 and 2021 for the Bike & More product



### Health

**Our goal? To complete our range of healthcare products to ensure affordable and accessible care for all.**

#### Ethias Hospi Quality

A quality and affordable hospital insurance, ensuring **comfort in difficult times in a single room** (Joker system) in case of hospitalisation due to a serious illness.

#### Servi + guarantee for Hospi Quality+ and Hospi Next+ products

After hospitalisation due to a serious illness, it is important to be able to count on support during rehabilitation. Thanks to a partnership with Ring Twice, one of the first approved platforms for the collaborative economy, Ethias reimburses up to €500 per year for non-medical home help services in the following areas: housekeeping, baby-sitting, gardening, DIY, care and well-being, pet-sitting, private lessons in connection with your current schooling, and/or cosmetic products (turban, scarf, etc.).



## Property

**Our home insurance automatically covers green installations (solar panels, photovoltaic panels, heat pumps, etc.)**

### **Cohousing insurance Flora by Ethias**

The number of cohousers is growing significantly and is due to the fact that access to property is becoming increasingly difficult for young people and single-parent families.

Launched in October 2021, Flora's cohousers insurance is a zero deductible insurance policy that provides all cohousers with third party liability cover for damage to the flat share or neighbouring properties as well as content cover for the entire flat share.

### **Legal Aid Insurance**

Since December 2019, Ethias offers a Legal Aid Insurance product, in accordance with the "Geens Act". The objective of this law is to make Legal Protection insurance more accessible by extending its coverage. In addition, the premium is deductible for tax.

## Travel

### **Assistance & Cancellation**



In 2021, 5 COVID-related cover extensions have been integrated into our Assistance and Cancellation products, automatically (for both existing and new clients) and free of charge (no premium surcharge). These benefit extensions allow our clients to benefit from extended cover in the event of a pandemic such as COVID.

## Partnerships

### **Whestia**

Ethias works in partnership with the Walloon Housing Fund and with various agents who sell social loans in Wallonia via the "Whestia" outstanding balance insurance label.

### **Social housing**

Ethias is a partner of more than 30 social housing companies in Flanders (including "Woonhaven Antwerpen", the largest social housing company in Flanders) and offers its insurance products (Home, Family and optional Theft cover) at a rate adapted to this target group of tenants.

### **The Housing Fund for large families in Wallonia**

In 2021, Ethias entered into a partnership with the "Fonds du Logement des familles nombreuses de Wallonie". Clients who take out a mortgage through this social fund can also benefit from our home insurance.



## For our public sector & corporate clients

**Ethias, the number one insurer in the public sector, insures major public sector players committed to sustainable development and alternative energy. As a socially committed player, Ethias insures, for example, the majority of the Public Centres for Social Action in Belgium.**



### Mobility

#### Mobility & More

The "Mobility & More" insurance is an innovative and flexible product that covers the travel of our clients' staff members regardless of the mode of travel used (and more particularly active mobility). Employers can choose between different cover options to offer their employees comprehensive mobility cover on the way to and from work.

#### Bike & More

The aim of the "Bike & More" group insurance is to encourage employers to promote active mobility by insuring their employees' vehicle at advantageous rates.

### Property

#### Property insurance (fire and all risks)

We insure green energy sources (photovoltaic panels, solar panels, heat pumps and charging stations for electric vehicles) either in property policies or through specific covers (all risks insurance).

#### Business interruption cover after a property claim

The aim is to prevent bankruptcy after a disaster by covering overhead costs before the production tools are repaired and by facilitating the restart of the company. It is a kind of "life insurance" for the organisation.

#### All risks - electronic equipment

This insurance covers material damage and losses caused to electronic equipment, particularly as a result of theft, fire, short-circuit, water damage, malicious acts of vandalism, clumsiness or inexperience on the part of staff members or third parties. This cover secures companies and jobs by ensuring business continuity (e.g. medical equipment).



#### Ethias Cyber Protection

Cybercrime is one of the emerging risks and has become a major challenge for companies. Ethias Cyber Protection covers the harmful consequences for the policyholder or third parties of a cyber event (malware, cyber-attack, human error, system failure, denial of service or unauthorized use of the IT system).

24/7 assistance is provided in the event of a cyber event and offers the support of a network of experts and specialist lawyers.

## Health

### Insurance against occupational diseases

As a societal player, Ethias has created brand new product on the Belgian market to meet its clients' needs and concerns about the COVID pandemic. More than ever, employers and employees are aware of the need to have optimal coverage when they are exposed to an occupational health risk.

This new product provides extra-legal compensation to employees and staff in the private sector and in local and provincial governments who suffer from an occupational disease recognised by Fedris.

### HospiFlex insurance - "Servi +" guarantee

This optional benefit covers the cost of non-medical services (e.g. gardening, cleaning, etc.) to improve the well-being of insured persons hospitalised due to a serious illness.



## Non-life underwriting activities eligible for the European taxonomy

As of 31/12/2021, Ethias' economic activities eligible for the European taxonomy (Taxonomy Regulation (EU) 2020/852) are those that substantially contribute to the achievement of the following environmental objectives: (i) climate change mitigation and (ii) climate change adaptation.

Ethias' non-life underwriting activities that are eligible for the European taxonomy are those whose written premiums in the 2021 accounting year include a climate change coverage component. To determine the amount of these activities, Ethias has selected insurance premiums from the following accounting categories "Motor", "Fire", "All Risks" and "Contractors", provided that they include coverage for one or more of the following risks related to climatic elements: natural disasters, business interruption, property damage, water damage, storms, earthquakes, floods, drought, hail.

Taking into account the selection criteria mentioned above, Ethias' non-life underwriting activities eligible for the European taxonomy amount to a total of € 189,453,159 at the end of 2021, representing 13.64% of the total non-life income in 2021. Ethias' total non-life premium income in 2021 amounts to € 1,389,453,747.



# Innovating for progress

In addition to compensation, since May 2021 Ethias has offered a catalogue of more than 80 services available to its private and corporate clients. For a more inclusive society, some services are also accessible to non-clients.

**These innovative services have been developed thanks to the complementary skills present within Ethias' subsidiaries. This group strategy (see page 10) aims to anticipate tomorrow's needs and provide useful and coherent solutions.**

## For our retail clients

**Because the protection of physical and mental health, prevention at home and on the road are at the heart of our business.**



### Mobility

#### Trust My Car

Innovative service that accompanies sellers and buyers so they can easily sell their used car. Service innovant qui accompagne vendeurs et acheteurs pour leur assurer sérénité et confiance lors de la vente d'un véhicule d'occasion.

#### Liberty Rider

App for motorcyclists calling emergency services after a crash.

#### Jeasy

100% Belgian app that allows you to organise a journey by having a complete view of the different mobility solutions and the best way to optimise or combine them.

#### Assist on Demand

Text to Ethias for a quick breakdown service on the road through a digital flow and with a negotiated rate. This service is available even if you are not insured.

### Health

#### Care4You



Thanks to this reliable and free tool, doctors and patients can meet virtually in complete safety. This platform was created during the COVID-19 pandemic and makes healthcare more accessible.

#### Health kiosk

Because health is priceless, Ethias is the first insurance to offer a "kiosk" for health apps that allows you to identify the most reliable app that is best suited to your needs.



**App4You**  
Digital, collective;  
innovative,

**simple and supportive platform  
accessible to all for free.**

Volunteers can help other citizens in need while being covered for free by Ethias for liability and personal injury.  
[app4you.be](http://app4you.be)

## Health partnerships

#### Masana

A full transversal platform that coordinates the various health actors to promote optimal and safe home care.

#### MoveUp

Individual remote monitoring (with doctors, physiotherapists, dieticians, psychologists, etc.) before a bariatric surgery and during rehabilitation.

#### ABI

App that put you in contact with a doctor so you can get a first medical orientation via text messages.

## Property

#### Home Services

Whether you are client at Ethias or not, with Home Services you will quickly find the right contractor for your needs (heating breaks down in the middle of winter, your door doesn't close anymore, you are the victim of a break-in, your electrical installation breaks down...)

## For our corporate clients (and everyone else) ...

**These services (training, audits and consultancy) are focused on prevention and risk management. We offer customised assistance.**



### Let's Talk



For the second consecutive year, Let's Talk provides students, small businesses and their staff, and flood victims with psychological support by phone.

### Managing psychosocial risks

Degrading mental health, workers reluctant to come back to work, declining well-being index that spares no one... These are some of the alarming findings of the 2021 "Confidence and Well-being" barometer. In order to improve this barometer, Ethias Services has set up a whole series of training, audits and consultancy services to help companies prevent risks and support their employees in difficult times. Services: burnout prevention, support following a traumatic event or an accident at work, stress and conflict management, psychosocial risk analysis, mental health audit, expertise in professional rehabilitation or reintegration, etc.

### Skill management

Ethias offers its expertise to establish ethical and inclusive management with the aim of resolving conflicts, detecting and supporting workers in need, understanding the multicultural advantages and challenges at work, encouraging collaboration and intergenerational synergies...

### Risk Management

Ethias' experts support companies so they can get their business back on track after a disaster, while reducing future risks. They take into account the technical aspects, but first of all the human aspects, which allows them to remain focused on their core activities.

### Prevention

For business and staff safety, you must be aware of the law, have the right recommendations, draw up an emergency plan and have good first aiders. A fire prevention audit reduces the risk of fire, ensures the safety of all people present on the site, provides with a quick evacuation plan, mitigates the harmful effects of a fire and facilitates the intervention of the emergency services.

#### Prevention partnerships



**eXia** is a blind spot prevention technology developed by the VUB spin-off. This new technology reduces the number of deaths caused by blind spot accidents by 31%.



Ethias' Prevention Department and Ethias Services have lent their expertise to conclude a partnership with Oxygis to develop a web and mobile mapping software dedicated to the inventory and maintenance of playgrounds. This partnership improves the safety and integrity of playing children.

**This solution was awarded the Bronze Medal for Innovation at the Arcop trade fair in 2021 (Royal Association of Prevention Consultants).**

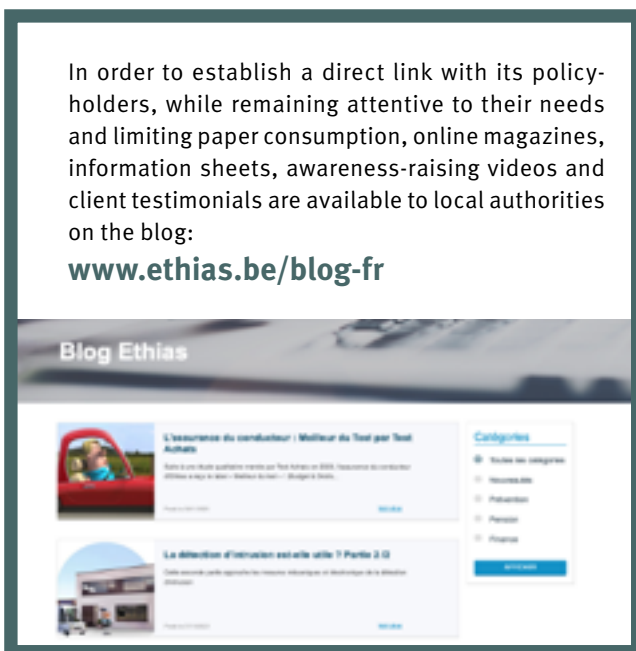
Find all our services on  
[solutions.ethias.be](https://solutions.ethias.be)

Do you have innovative ideas?  
Join us on [ethihub.be](https://ethihub.be)!

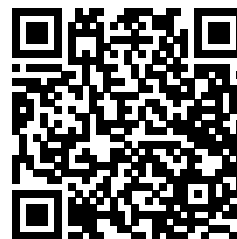


In order to establish a direct link with its policyholders, while remaining attentive to their needs and limiting paper consumption, online magazines, information sheets, awareness-raising videos and client testimonials are available to local authorities on the blog:

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



Prevention: your challenge?  
Our priority!



# New Sustainable Investment Governance

Because becoming an increasingly sustainable investor requires both discipline and an integrated approach, Ethias reviewed all its investment processes in 2021, resulting in the adoption of a new sustainable and responsible investment policy and a new investment governance. Ethias went one step further by signing concrete commitments to materialise its ambition to decarbonise the investment portfolio, lobby the biggest polluters and commit to protecting biodiversity.



## Sustainable and responsible investment policy

Ethias has published the new version of its Sustainable and Responsible Investment Policy in which it reaffirms its commitment to the **Paris Climate Agreement** and sets the objective of achieving a carbon neutral investment portfolio by 2050 at the latest. In addition, in each asset class, the proposed investments must meet strict environmental, social and governance criteria (so-called "ESG" criteria).

## Investment governance

The Ethias Sustainable and Responsible Investment Committee is in charge of developing, implementing and monitoring all the principles of the sustainable and responsible investment policy.

The implementation of this policy is based on two main axes: ESG incorporation and active shareholding.

### Integrating ESG criteria into our investment processes

#### Direct management

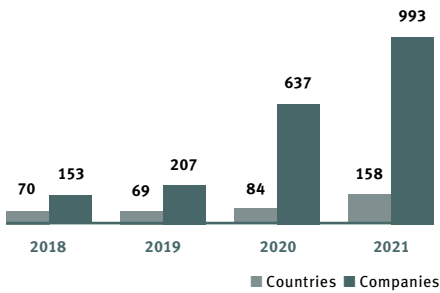
We integrate ESG analysis into our investment processes and promote sustainable and responsible investments in our selection process.

In 2021, we acquired an **ESG database** and set up an ESG research **partnership with HEC - ULiège**, which allows us to further develop our investment selection criteria, including climate impact.

#### Delegated management

Ethias also places a high priority on working with managers who are signatories to the United Nations Principles for Responsible Investment (UN PRI). In addition to this requirement, Ethias uses sustainable investment criteria in its management mandates.

## Issuers excluded from Ethias' investment scope



## Our exclusion policy

In addition to incorporating ESG criteria into our investments, Ethias has strengthened its exclusion policy in 2021.

This policy has existed since 2005 as our “**Ethical Investment Code**”.

The new exclusion policy is based on at least the exclusion criteria of the **Febelfin Towards Sustainability label** and in some cases imposes even stricter rules than the label. As a result, an increasing number of issuers are excluded from the Ethias investment portfolio that do not meet our sustainability standards.

Since 2017, Ethias has excluded from its investments thermal coal, which is the fossil energy that contributes most to global warming. As of 2019, it also excludes tobacco and extends the ban on armaments to the production of conventional weapons.

These initiatives are in line with the European “**Green Deal**” presented by the European Commission.

## Our normative approach

In 2021, Ethias confirmed its commitment as a signatory of the **United Nations Global Compact** and the United Nations Principles for Responsible Investment. These two initiatives are key pillars of responsible investment, encouraging respect for fundamental human rights principles and the integration of sustainability criteria into investment processes.





## Ethias as an active shareholder

Being a sustainably committed investor also means taking responsibility for our investment choices and their monitoring, as well as actively contributing to initiatives that bring together actors of change in these areas. As an active shareholder, Ethias has updated and published both a voting policy and an engagement policy.

With regard to the implementation of its **voting policy** in 2021, Ethias participated in the Extraordinary General Meeting of Montea on 18 May 2021, a company in which Ethias holds over 1% of the share capital. Ethias voted in favour of giving the Montea Board of Directors the possibility of carrying out a capital increase via a procedure such as Accelerated Book Building (ABB), which is a capital increase operation aimed at offering a certain number of new shares via the constitution of the order book over a short period of time.

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

In 2021, Ethias has defined the lines of its **new commitment policy** and has made strong commitments by joining 3 collaborative initiatives.

### Partnership for Biodiversity Accounting Financials (PBAF)



PBAF is a partnership of 30 financial institutions working together to develop the "PBAF standard", which enables financial institutions to assess and disclose the biodiversity impacts and dependencies of loans and investments.

Understanding the impacts (positive and negative) of our investment portfolio on biodiversity is an important objective.

**Ethias is the first Belgian player to join PBAF**

[www.pbafglobal.com](http://www.pbafglobal.com)

### Belgian Alliance for Climate Action (BACA)



BACA is a Belgian initiative led by The Shift and WWF that aims to encourage the adoption of a science-based approach to reduce the environmental impact of companies.

By joining BACA, Ethias commits to join the Science Based Targets (SBTi) initiative within 12 months. This will allow Ethias to set decarbonisation targets according to scientifically proven methods in order to meet the Paris Agreement's goals.

**Ethias is among the first Belgian insurers to join BACA**

[www.belgianallianceforclimateaction.org](http://www.belgianallianceforclimateaction.org)

### Climate Action 100+



The Climate Action 100+ initiative, consisting of 617 global investors, aims to ensure that the (165) largest emitters of greenhouse gases take the necessary action on climate change.

**Ethias is among the first Belgian insurers to join Climate Action 100+**

[www.climateaction100.org](http://www.climateaction100.org)

**Investments eligible for the European taxonomy.** As of 31/12/2021, Ethias' economic activities eligible for the European taxonomy (Taxonomy Regulation (EU) 2020/852) are those that substantially contribute to the achievement of the following environmental objectives: (i) climate change mitigation and (ii) climate change adaptation.

Accessing data to identify the eligible share of these economic activities included in Ethias' investments is a real challenge. In order to get correct, adequate and complete taxonomy information, Ethias called upon an external ESG data provider. Ethias relied mainly on external data to identify investments that are eligible for the European taxonomy. It should be noted that a significant part of this data from the external provider is made up of estimates (due to the absence of reporting from a significant number of companies subject to the taxonomy at the time of writing).

Taking into account the above-mentioned caveats, investments in the financing of economic activities aligned with the European taxonomy or associated with such activities represent, at the end of 2021, 3.10%<sup>1</sup> or € 340,000,000 of Ethias' total investments.<sup>2</sup> Ethias is committed to increasing the proportion of its investments aligned with the European taxonomy in the coming years.

1 Due to lack of information at the closing date of this report, Ethias did not include in the above figure information on the share of investments eligible for the European taxonomy and held under life insurance contracts where the investment risk is borne by the policyholder and which are managed under mandates given to external managers.  
2 The total investments do not take into account Ethias' exposure to sovereign issuers, central banks and supranational issuers, nor its exposure to derivatives.

# Sustainability at the heart of our investments

In 2021, Ethias strengthened its governance related to the sustainable and responsible investment strategy. This governance is aligned with the Sustainability strategy and is based on strong policies and concrete commitments that will adapt to ensure that the investment analysis goes beyond risk-return.

Ethias is concerned about the potential impact of investments on the financing of the energy transition and the creation of a fairer society. This role as responsible investor comes with a long-term responsibility, particularly in the management of legal and supplementary pensions and in supporting the economy. By taking ESG factors into account in its investment decisions, Ethias seeks above all to have an impact, whether social or environmental, in favour of the regions, companies and sectors in which it invests.

## Socially responsible direct investments

**Ethias invests in socially oriented structures, such as social economy funds (Netwerk Rentevrij, Carolidaire) or funds for scientific research.** In doing so, it holds financial participations in various fields that are important for strengthening solidarity: social loan companies, housing companies, microfinance organisations, support for various associations and alternative finance organisations. It has also established privileged links with companies in this sector.

### COVID post-pandemic recovery plans

From the outset, Ethias has provided significant financial support (€80 million) to the various regional and federal recovery plans, through participations in the following organisations

- **Welvaartsfonds:** a €205 million Flemish regional fund aimed at strengthening the solvency of companies and achieving a successful transition towards a sustainable economy
- **Amerigo:** a €160 million Walloon regional fund dedicated to the recovery of Walloon companies affected by COVID
- **boosting.brussels:** a Brussels regional fund improving the solvency of companies after COVID with €80 million
- **Belgian Recovery Fund:** the € 218 million federal fund aims to provide subordinated and/or convertible loans to companies that were financially sound before the coronavirus crisis, but had to face a reduction of their equity due to the pandemic

### Private debt that integrating ESG criteria

- **Eiffel Impact Debt** is the first private impact debt fund in Europe.
- **OfficeCenter:** this loan funds charging stations for electric vehicles with an interest rate level that is dependent on the achievement of ESG objectives
- **WDP “Chocolate Box”:** Ethias financed the world's largest and most sustainable chocolate warehouse. It is the first building in the Benelux to be certified "BREEAM Outstanding", the highest standard for sustainable logistics. It is the first building in the Benelux to be certified "BREEAM Outstanding", the highest standard for sustainable logistics.

## Through investments with environmental impact

Ethias invests in financing the energy transition towards a low-carbon economy.

- **Green4You:** In collaboration with Luminus, Ethias created the company Green4You, whose goal is the installation, maintenance and financing of photovoltaic panels, cogeneration units and charging stations for electric vehicles. Through Green4You, Ethias supports the transition towards low-carbon energy
- **Infrastructure funds:** Ethias has continually increased its investments in infrastructure funds that invest in renewable energy (wind, solar, biomass), public transport, energy efficiency, etc.
- **Biobest:** Ethias has participated in financing the growth of Biobest, a subsidiary of La Floridienne, a holding company active in Flanders in the biological crop protection and pollination market. Thanks to this investment, Biobest was able to take over an American partner in the sector, Beneficial Insectary. The latter is the most important producer in the market of biological crop protection by insects.



## Through investments with added value for society

Ethias reserves a large part of its investments for sectors that are, as the crises of the last two years have shown, the foundations of our society:

- **Social housing corporations**
- **Hospitals and nursing homes** in the real estate sector
- **Scientific research** (university funds, spin-offs)
- Qbic Feeder Fund
- ICC (UGent)
- ICAB (VUB)
- **Gimv Health & Care Fund**

## Financial participation

Ethias invests, for example, in the capital of numerous organisations granting social loans or loans to people in need. When finance meets solidarity.

- **Incofin**
- **Socrowd**
- **Inclusie Invest**
- **Trividend**
- **Carolidaire**
- **Impulse Microfinance Investment Fund**
- **Triodos**
- **Epimède**
- **Belgian Growth Fund**

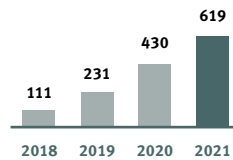


## Direct investments in green bonds

Investments in sustainable bonds include both "green bonds" and "social bonds".

In 2021, Ethias continued to invest in sustainable bonds, so that this investments portfolio reached an amount of € 619 million at the end of the year. This represents an increase of 44% (168%) compared to 2019 (2018).

Green bond investments in millions of euros



## Direct investments in passive and sustainable real estate

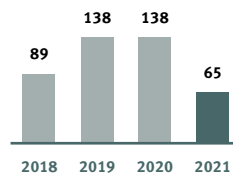
Ethias is particularly attentive to ensuring that its real estate investments meet the most demanding environmental and social criteria.

The total amount invested in 2021 in "sustainable real estate" remains significant but still lower than in previous years due to less overall activity in this market segment in 2021 compared to previous years.

### Some examples:

- **Stationstraat 51** (Mechelen), **State Archives** (Namur and Ghent), **the new headquarters of BDO** (Luxembourg), **NAOS** (Luxembourg)...
- **Joint venture with the Belgian logistics company Weerts Group:** Ethias acquired two logistics properties in 2021, one located in Tessenderlo and the other in Bury St Edmunds in England. As part of its policy of direct investments in sustainable real estate, Ethias has made sure that these new buildings are certified BREEAM Very Good. This certificate, which corresponds to a global environmental approach, guarantees that the building will be as environmentally friendly as possible throughout its life cycle (design, use, demolition).

Investments in office & logistics buildings



## Responsible investment products in life insurance contracts

Ethias is gradually developing its range of sustainable investment products linked to life insurance policies for individuals, companies and local authorities.

### For our institutional clients

**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 the "Ethical" sub-fund of the Ethias Life Fund offered in our dedicated asset funds:** The objective of this sub-fund is to invest in units of funds that invest in shares and/or bonds of companies that integrate ecological, social or ethical criteria into their long-term strategy and are certified Towards Sustainability by Febelfin.

### For our retail clients

**Through the Invest 23 Mundo fund:** Our private clients also have the opportunity to invest in the Ethias Life Fund's "Ethical" sub-fund through our Ethias Boost Invest Mundo insurance product (which received the Towards Sustainability label in 2021).

# Planet

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A woman with long brown hair, wearing a white knit top and brown pants, is smiling and pointing towards a laptop she is holding. The laptop screen displays the text 'Our environmental approach'.

**Our  
environmental  
approach**

## Our environmental approach

It is increasingly imperative for a company to thrive in harmony with the environment around it. It is no longer possible to drain or degrade our ecosystem without paying a price at some point. Instead, companies will have to move towards a kind of regenerative prosperity.

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 must reduce its harmful impact on the environment and increase its positive impact.

**Each year, Ethias measures its carbon footprint**, in partnership with the company CO2logic. This measurement gives rise to suggestions for action to reduce the footprint.



CO<sub>2</sub> Neutral Company. In 2021, Ethias extended the "CO<sub>2</sub> Neutral" label granted in 2020. This label, certified by an independent organisation, guarantees that the labelled organisations measure, reduce local and global impacts and offset their residual CO<sub>2</sub> emissions.

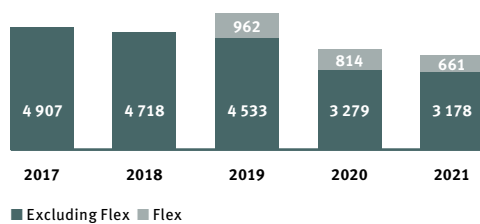
With the Verra certified project "Reforestation in Zambia", launched in 2020 and continued in 2021, we offset our CO<sub>2</sub> emissions in 2021. Read more about our "Change Over" plan on page 51.



**As a responsible and committed insurer, Ethias is particularly attentive to climate issues and the impact on the environment. Since 2007, Ethias has had an annual audit of its carbon footprint.**

In 2021, Ethias has reduced its carbon emissions by 6.2% compared to 2020 (-30% compared to 2019). We are several years ahead of the 33% reduction target set for 2025 in our Change Over plan. **Ethias' 2020 direct carbon footprint amounts to 3,839 tons of CO<sub>2</sub>**, 90% of which comes from mobility (vehicle fleet) and buildings.

**Annual consumption**  
(in tons of CO<sub>2</sub>)



Since 2019, Ethias has included in its carbon footprint the CO<sub>2</sub> emissions of the "Flex@Ethias" plan vehicles (cafeteria plan for Ethias employees) launched the same year.

# 6,2%

Reduction of 6.2% compared to 2020

In order to reduce its impact on environment, Ethias developed a policy to reduce its carbon footprint in the following 5 areas:



## Mobility

### A mobility policy for employees

Ethias has made a public commitment to the theme of active mobility because it is convinced that mobility is crucial for the future of our society, but also because the company positions itself as a pioneer in this field.

Indeed, the company has for many years boasted a **dynamic and proactive travel** policy that relies on intelligent and more environmentally friendly mobility, using public means of transport, carpooling and active mobility devices to improve employee travelling. It is also implementing technological resources for more remote meetings and working from home in order to support its 2030 carbon neutrality goals. In early 2021, a large-scale internal survey was launched to analyse the employee's mobility habits and to find solutions. Thanks to this survey, we implemented a new company fleet policy aimed at drastically reducing the CO2 emissions of our vehicle fleet, in line with the goals of our Change Over plan (see page 51)



## Waste reduction

Although waste sorting is part of everyone's habits in private life, it is still more difficult to organize this in companies and, above all, to anchor it in people's mentalities. Ethias regularly raises staff awareness about waste collection and sorting.

The various internal awareness campaigns combined with the homeworking policy have had a positive impact on:

- **Consumables:** -9% compared to 2020
- **Meat:** -46% compared to 2020
- **Other waste:** -32% compared to 2020

### Paper consumption

By digitalising our communication flows and raising awareness internally and with our partners, we reduced consumables by 9% compared to 2020 and residual waste by 22%.

### Other consumables

In addition to paper/cardboard consumables, Ethias also aims to optimize the recycling of equipment and other consumable items:

- **Order of office chairs with "cradle-to-cradle" certificate** (90% recycling - Quality Office certification)
- **Donation of office desks** and other furniture to charities and schools
- **Battery collection** in collaboration with Bebat.



## Green IT

While IT tools support environmental aspects through the paper savings they generate, they can be a source of energy consumption themselves.

Ethias is working with its IT subsidiary NRB to reduce this impact by optimizing its infrastructure and processes, but also by:

- launching an internal campaign to **reduce Ethias' digital storage space**
- **migrating mail archives to cloud solutions**
- donating, via Digital4Youth, Ethias laptops to schools and non-profit organizations in order to **extend their lifespan**
- **dematerialising** NRB's servers to reduce the number of physical servers and therefore the energy requirements for power and cooling
- creating of a **wind turbine** that produces 60% of NRB's energy needs



## Suppliers and responsible purchasing

Since 2017, our procurement department is in charge of purchasing all material goods and services in order to get the best guarantees at the best conditions.

Ethias ensures that tenders for products and services include **environmental sustainability criteria** by choosing recyclable and energy-saving materials, ecological and biodegradable products.

Ethias also ensures that the general conditions of all order forms include an article in which the supplier undertakes to **respect the basic principles of the International Labour Organization (ILO)** and to ensure that any subcontractor respects them.

In 2020, Ethias subscribed to the **Green Deal Achat Circulaire** to promote the development of a circular economy in Wallonia.

Ethias signed electricity supply contracts with a guarantee label for the **green origin of the electricity**. This label guarantees the supply of energy generated by hydroelectricity, wind power, co-generation or solar energy (energy 2030).

A partnership has also been concluded with bpost in order to ensure the **CO<sub>2</sub> offset of postal shipping**.

### Staff restaurant

Although the health crisis forced the shutdown of its restaurant operations, Ethias launched in 2021 a new formula for the catering services for its staff. It has therefore entered into a partnership with ISS Facility Services. This partnership includes:

- Use of **organic and/or locally produced products**
- Compliance with the **Fairtrade@Work Label**
- **Waste reduction**
- Adherence to the **Green Deal - Sustainable Canteens Charter**.





## Building management

Compared to 2020, the energy balance of our buildings decreased by 1% and electricity consumption has been reduced by 54%. Natural gas consumption has increased by 33% in order to ventilate our premises in the context of the health crisis.

## Reduction of occupancy area

In 2021, Ethias continued its real estate initiative aimed at reducing the number of square meters of office space occupied and thus its carbon footprint. This approach is supported in particular by the implementation of homeworking in combination with a desk sharing policy, in order to optimise work spaces.

### Liège

In 2021, Ethias chose the location of its future offices in Liège, a brand-new building in the emerging “**Rives Ardentes**” eco-district, which will reduce its current surface area by 25%.

### Hasselt

In order to keep on reducing our surface area and achieving our carbon neutrality goal, Ethias renovated its Hasselt building and implemented a desk sharing policy, thus allowing a 40% reduction in the surface area per workstation.

### Brussels

In July 2021, Ethias inaugurated its premises in the Spectrum building. This energy-efficient site houses meeting and reception rooms as well as shared offices for the Ethias Group (Ethias and NRB).

## Strategic renovation choice

Ethias monitors the exact energy consumption of its various buildings and regional offices. Thanks to the installation of energy metering modules and presence detectors, we can take corrective or innovative measures to reduce our emissions.

As we renovate and build our offices, we will benefit from the latest technologies, in particular by integrating more Smart Building sensors.

When choosing its equipment and infrastructure suppliers and partners, Ethias naturally takes into account ecological criteria (choice of recyclable and energy-efficient materials, ecological and biodegradable products).



In 2021, Ethias supported the installation of beehives on the roofs of its buildings in Alleur and Hasselt to promote biodiversity and the protection of bees.



## Change Over: towards carbon neutrality!

Since 2003, Ethias has adopted a **participative approach in its CSR policy** and has been proactively following climate developments.

In response to climate change, Europe has launched the "Green Deal" with the aim of becoming the first climate-neutral continent by 2050.

In 2020, **Ethias took another step forward** by developing its multi-year "Change Over" plan with the aim to become a carbon-neutral insurance company within 10 years, while initially offsetting its current emissions. This plan rests on two main pillars:

- **Sobriety & efficiency:** having passive buildings, limiting unnecessary travel, promoting working from home, reducing excess consumption as much as possible.
- **The energy shift:** gradually shifting to low-carbon forms of electricity. This transformation will mainly concern the infrastructure and the overall mobility of employees. Ethias has taken the lead by deciding to quantify its ecological impact in order to better reduce this impact through numerous actions on the ground.

**In order to make employees aware of this change and to involve them in its approach, Ethias has initiated in 2021 the gradual conversion of its car fleet to hybrid and electric vehicles and has pursued its homeworking policy to reduce commute.**

### Change Over plan in 3 steps:

#### 2020

##### Launching the plan

Offsetting our emissions through a **reforestation project in Zambia** aiming at:

- sustainably increasing crop yields, incomes and welfare of smallholder farmers
- reducing uncontrolled forest loss and degradation by increasing net forest cover

#### 2025

##### Reducing our CO<sub>2</sub> emissions by one third

We will achieve this by:

- renovating or building new premises according to the principles of sustainable construction
- continuing our efforts to reduce the carbon footprint of our vehicle fleet

#### 2030

##### Achieving carbon neutrality

We will achieve this through:

- low-carbon buildings
- a fleet of zero emission vehicles
- reducing our digital footprint in partnership with NRB.



## Ambitions 2022

Ethias' new Sustainability strategy remains closely linked to our Brand Purpose "Daring to be human together". All actions considered for 2022 and beyond will always be guided by our mission to make people and solidarity our main concern.



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### Towards carbon neutrality!

Since 2008, Ethias has been measuring its CO<sub>2</sub> emissions and working year after year to reduce its carbon footprint. Since 2020, Ethias has committed to an ambitious strategy to take the company carbon neutral by 2030! It also offsets all its residual emissions and has obtained the "CO<sub>2</sub> Neutral" label. It has also set itself the ambition of decarbonising its investment portfolio by 2050, and intends to join SBTi in order to give itself the means to achieve this objective. **Read more about our Change Over plan on the Change Over on page 51.**





**If there is one lesson to be learned from the crises of the last two years, it is clearly that division and individualism get us nowhere. It is together that we can create a more resilient, just and inclusive society.**

**A Corporate Fund to help fight poverty and exclusion.** We will commit all our forces to the fight against poverty and exclusion among young people and the most disadvantaged. In concrete terms, we will reorganise our philanthropic partnerships to develop a network of strong and committed actors to accompany us in this mission and create our own corporate fund dedicated to this fight (SDG 1 & 2).

Health and well-being for all (SDG 3) will also be at the heart of our actions. We have set ourselves the ambition to further improve the well-being of our employees and to continue to be a trusted partner for our clients.

Ethias is also **continuing on its path towards net zero carbon by 2030**, and is giving itself even greater resources to achieve this. Through the initiatives it has just joined (BACA and SBTi), it is committed to defining an ambitious plan to reduce its CO2 emissions. These ambitions go hand in hand **with a growing desire to reduce our carbon footprint in a sustainable way, as well as our footprint on biodiversity.**

All these projects force us to rethink the way we operate in an innovative way. Let us be ambitious, but humble, willing and willing to listen, and above all, let us dare. Let us dare to be human, let us dare to be creative, let us dare to be disruptive!

Let us create, step by step and together, the world we want to live in tomorrow.



## End poverty in all its forms everywhere

Economic growth must be shared to create sustainable jobs and promote equality.



## Ensure healthy lives and promote well-being for all at all ages

Empowering people to live healthy lives and promoting well-being for all at all ages is essential for sustainable development.



## Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable



## Combat climate change and its impacts

The fight against global warming has become an integral part of achieving sustainable development.

# Entry into the United Nations Global Compact

In 2021, 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 for engaging business to

## Ethias' answers

Support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>• Joint Ethics Committee</li> <li>• Integrity policy</li> <li>• Social Ethical Code</li> <li>• Sustainable investment policies</li> <li>• UN PRI</li> </ul>
Make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> <li>• Sustainable and responsible procurement policy</li> <li>• Sustainable investment policies</li> <li>• UN PRI</li> </ul>
Uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>• Social governance</li> </ul>
Contribute to the elimination of all forms of forced or compulsory labour	<ul style="list-style-type: none"> <li>• Sustainable and responsible procurement policy</li> </ul>
Contribute to the effective abolition of child labour	<ul style="list-style-type: none"> <li>• Sustainable and responsible procurement policy</li> </ul>
Contribute to the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>• Diversity Charter</li> <li>• “Women in Finance” charter</li> <li>• Talent Management Policy</li> </ul>
Support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>• Change Over (carbon neutrality from 2030) and carbon offset projects</li> <li>• Environmental governance</li> <li>• Sustainable investment policies</li> <li>• UN PRI / PBAF / Climate Action 100+ / BACA</li> </ul>
Take initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>• Change Over (carbon neutrality from 2030) and carbon offset projects</li> <li>• CO<sub>2</sub> emissions balance</li> <li>• Actions in favour of multimodal mobility</li> </ul>
Encourage 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>
Work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> <li>• Integrity policy</li> <li>• Sustainable investment policies</li> <li>• UN PRI</li> </ul>

Our employees,  
who illustrated this  
5<sup>th</sup> report, are proud  
of our sustainable  
commitments and  
achievements.

## Why this non-financial report?

For Ethias, the drafting of this non-financial report is a continuation of an approach that was initiated in 2007 with the drafting of what was then called the "Corporate Social Responsibility Report".

This fifth edition of the report goes beyond the legal requirement.

This document is intended to be a unifying instrument.

It reflects the collaboration of all entities within the company to achieve a common goal: to be and remain a socially responsible insurer, redoubling its efforts to address the health crisis.

Hence, the entire company contributes to the elaboration of this report by updating the CSR team on all the initiatives taken in the different departments over the year.

This report is part of the financial report and follows the same approval procedure before the Executive Committee, Board of Directors and the company's General Assembly. This report contains Ethias SA's activities.

Ethias has based this report on the 10 principles of the United Nations Global Compact and the United Nation's 17 SDGs. Each of Ethias' actions is guided by an overall strategy founded on these principles and the resulting commitments.



ethias