Statement on principal adverse impacts of investment decisions on sustainability factors (SFDR Entity Disclosure)

2025

Ethias – Internal Data: Accessible only to colleagues and identified contractual partners.

Financial market participant

ETHIAS SA/NV - 549300WG3JO935L6QD56

Summary

ETHIAS SA/NV (LEI : 549300WG3JO935L6QD56) considers principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of ETHIAS SA/NV.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1, 2025 to December 31, 2025.

Ethias has developed several frameworks to capture relevant principal adverse impacts (PAIs) for each type of issuer. Each quarter, Ethias monitors the overall ESG score and GHG emissions of its global holdings as well as certain indicators relating to environment and climate.

For alternative asset classes, PAIs are specific to the relevant sub-asset classes. For example, for real estate assets, Ethias assesses indicators such as energy efficiency and GHG emissions, and where Ethias has management control, specific asset-level plans are developed to address these indicators.

In May 2021, Ethias validated (through its sustainable and responsible investment policy) its commitment to achieve carbon neutrality by 2050 at the latest for all its assets.

Description of the principal adverse impacts on sustainability factors

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Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	392.565	295.138	tons	indirect quarterly monitoring via ESG rating
		Scope 2 GHG emissions	76.758	76.143	coverage 59%	quarterly monitoring of GHG emissions
		Scope 3 GHG emissions	2.004.594	1.948.111		signatory of UNGC, UNPRI, UNPSI, SBTi, BACA and Climate Action 100+
		Total GHG emissions	2.473.918	2.319.392		PAI n°1 to n°3 included in the "ESG Integration" policy
	2. Carbon footprint	Carbon footprint	130,73	127,32	tons/Mio€ EVIC or DEBT+EQT coverage 59%	included in the exclusion policy reported in the annual report (CSRD) scored by CDP in 2025
	3. GHG intensity of investee companies	GHG intensity of investee companies	374,81	239,89	tons/Mio€ REVENUE coverage 59% (covergae 40% in 2024 explaining the evolution of the impact)	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2,41	1,96	% coverage 2%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	18,04	16,93	% coverage 35%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - AGRICULTURE, FORESTRY AND FISHING	0,00	0,00	GWh/Mio€ REVENUE coverage 16%	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - MINING AND QUARRYING	0,00	0,00		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - MANUFACTURING	0,03	0,04		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0,03	0,04		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0,11	0,00		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - CONSTRUCTION	0,00	0,00		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - WHOLESALE AND RETAIL TRADE	0,00	0,00		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - TRANSPORTATION AND STORAGE	0,01	0,01		
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - REAL ESTATE ACTIVITIES	0,02	0,01		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,59	0,50	% coverage 35%	indirect quarterly monitoring via ESG rating signatory of UNPSI, UNGC and PBAF
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,01	0,00	tons/Mio€ EVIC or DEBT+EQT coverage 2%	indirect quarterly monitoring via ESG rating signatory of UNPSI and UNGC
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0,29	0,34	tons/Mio€ EVIC or DEBT+EQT coverage 34%	indirect quarterly monitoring via ESG rating signatory of UNPSI and UNGC

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Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,00	0,01	% coverage 35%	indirect quarterly monitoring via ESG rating signatory of UNGC, UNGPBHRs, ILO, UNPRI and UNPSI quarterly monitoring of the gender diversity ratio within governance bodies PAI n°10 and n°12 to n°14 included in the "ESG Integration" policy included in the exclusion policy reported in the annual report (CSRD)
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,59	0,66	% coverage 35%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	4,81	3,34	% coverage 29%	
	13. Board gender diversity	Average ratio of male to (male+female) board members in investee companies, expressed as a percentage of all board members	19,10	18,02	% coverage 32%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00	0,00	% coverage 35%	

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	47,49	58,01	tons/Mio€ PPP-adjusted GDP coverage 39%	indirect quarterly monitoring via ESG rating signatory of UNGC, UNPRI, UNPSI, SBTi and BACA included in the "ESG Integration" policy included in the exclusion policy reported in the annual report (CSRD)
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	4	2	number of countries coverage 29%	indirect quarterly monitoring via ESG rating signatory of UNGC, UNGPBHRs, ILO, UNPRI and UNPSI included in the "ESG Integration" policy included in the exclusion policy

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,00	0,00	% coverage 3%	included in the "ESG Integration" policy signatory of UNPRI and UNPSI
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Part d'iShare of investments in energy-inefficient real estate assets	79,85	35,47	% coverage 3%	included in the "ESG Integration" policy signatory of UNPRI and UNPSI the increase from 35% to 80% is explained by the financing of the transformation of the european quarter of Brussels (from a hub of old, single-use offices into a dynamic and mixed-use district, combining sustainable housing, sustainable offices, public spaces and green spaces)

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	13,20	13,42	% coverage 34%	indirect quarterly monitoring via ESG rating signatory of UNGC, UNPRI, UNPSI, SBTi, BACA and Climate Action 100+ included in the exclusion policy
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column	9,05	9,64	GINI Index (%) coverage 29%	indirect quarterly monitoring via ESG rating signatory of UNPSI and UNGC

The two additional PAIs (E-type PAI (emissions - no. 4) and S-type PAI (social - no. 18)) were selected because they relate to two Sustainable Development Goals (SDGs) to the extent that Ethias aligns with this United Nations reference framework:

- fighting climate change (-> additional E-type PAI above);
- eliminating poverty (-> additional S-type PAI above).

It should be noted that in accordance with the regulations, the PAIs calculations were carried out taking into account all investments, including those without data allowing the calculations. This gives a truncated view of results and risks. However, thanks to the coverage percentage, the correct interpretation can be made. For example, for board gender diversity, the ratio of men/(men+women) is 19,10% with 32% of investments covered. We can deduce that over the scope of the investments covered, the ratio of men/(men+women) is 59,68% (= 19,10% / 32%).

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

As outlined in the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464), a large number of ESG factors can be analysed from two complementary angles, i.e. the dual materiality of ESG factors:

» impact on the development, performance or position of a company, as well as on the financial value of an investment in the broadest sense ("financial" materiality);

» external impacts of the company's activities or the investment on ESG issues ("environmental, social and governance" materiality).

Ethias' sustainable and responsible investment policies and processes address these two impacts.

Thus, with regard to the investments it manages, Ethias uses a sustainability risk approach resulting from the integration of ESG criteria into its investment processes. It created a framework for integrating sustainability risks into investment decisions based on sustainability factors.

This framework is based in particular on these documents available on the Ethias website:

» sectoral and normative exclusion policies:

- approved on the 8th of January 2026
- implemented by Asset Management
- these are one of the pillars of Ethias' approach to sustainability risks and PAIs because they intend to enable Ethias to exclude assets from considered investments that are exposed to significant sustainability risks or are likely to have a significant adverse impact on sustainability factors E, S and G

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- the PAIs concerned are mentioned in the tables above

» an “ESG Integration” policy:

- approved on the 2nd of December 2025
- implemented by Asset Management
- ESG Integration is the explicit and systematic inclusion of ESG issues (whose PAI’s) in investment analysis and decisions, which is a must-have for the Towards Sustainability (TS) label
- the PAIs concerned are mentioned in the tables above

» a methodology “Sustainable Investment”:

- approved on the 19th of May 2025
- implemented by Asset Management
- with its DNSH principle (abbreviation of Do No Significant Harm) based on different PAIs

Following the principle of double materiality, Ethias uses ESG policies and methodologies mentioned above to manage the principal adverse impacts (PAIs) of its investments. Thus, the identification and prioritization of PAIs within these policies and methodologies are aligned with Ethias’ ESG strategy as described in its 2025 annual report.

Ethias relies, for PAIs, on data provided by third-party providers. The limited availability of relevant data is one of the challenges insurance companies face when integrating sustainability risks or principal adverse impacts into their investment process. Indeed, such data is not yet systematically disclosed by issuers or, when disclosed by issuers, may be incomplete or follow different methodologies. Ethias works to develop processes to collect, where appropriate, complete, correct and consistent information and data on the principal adverse impacts of investments.

Engagement Policies

Ethias has adopted an engagement policy in which it seeks to improve the practices of issuers with regard to a specific objective, on behalf of the share and bond positions in the investment portfolio.

This engagement policy describes Ethias' engagement process and Ethias' commitment to provide transparency and regular reporting on engagement activities, as well as how Ethias participates in collaborative engagement actions. At present, adverse impacts are not explicitly taken into account in this policy.

Ethias has also adopted a voting policy (including a summary of Ethias' voting approach), which is another crucial aspect of its active shareholding.

More information on Ethias' engagement and voting policies is available on the Ethias website.

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References to international standards

In addition to its commitment (aligned with the Paris Agreement) to achieve carbon neutrality by 2050 at the latest on its assets, Ethias is a signatory to the following codes:

» Signatory to the Principles for Responsible Investment (www.unpri.org)
» Science Based Targets Initiative (SBTi)
» Climate Action 100+
» United Nations Global Compact
» Partnership for Biodiversity Accounting Financials (PBAF)
» United Nations Principles for Sustainable Insurance (UN PSI)

The link between compliance with these standards and PAIs has not yet been explicitly established.

Similarly, no forward-looking climate scenario is currently used.

Historical comparison

If we compare the 2025 impacts to the 2024 impacts, we see relative stability. However, it should be noted:

» the increase of the cover ratio for the PAI no. 3 - GHG intensity of investee companie explaining the evolution of the impact;
» the increase from 35% to 80% for the PAI no. 18 - exposure to energy-inefficient real estate assets: it is explained by the financing of the transformation of the european quarter of Brussels (from a hub of old, single-use offices into a dynamic and mixed-use district, combining sustainable housing, sustainable offices, public spaces and green spaces).

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