



Implementation of Principles for Sustainable Insurance (2021)

In 2017, PZU signed the Principles for Sustainable Insurance (PSI).

This Report relates to the information for 2021 Financial year.

[Report on non-financial information of the PZU Group and PZU SA in 2021](#) - "Non-financial report"

Principle 1: WE WILL EMBED IN OUR DECISION-MAKING ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES RELEVANT TO OUR INSURANCE BUSINESS.

Possible actions: COMPANY STRATEGY	DETAILS/REFERENCE
<p>Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations</p> <p>Dialogue with company owners on the relevance of ESG issues to company strategy</p> <p>Integrate ESG issues into recruitment, training and employee engagement programmes</p>	<p>Non-financial report: 4.1. Business in the face of climate change</p> <p>https://www.pzu.pl/en/investor-relations/about-the-group/strategy</p> <p>Non-financial report: 5.2 Dialogue with the environment</p> <p>Non-financial report: 3.2 Employer of first choice</p>
Possible actions: RISK MANAGEMENT AND UNDERWRITING	DETAILS/REFERENCE
<p>Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions</p> <p>Integrate ESG issues into risk management, underwriting and capital adequacy decision making processes, including research, models, analytics, tools and metrics</p>	<p>Non-financial report: 2.3.1 Risk management; 5.1 Business in the face of climate change</p> <p>https://www.pzu.pl/en/grupa-pzu/balanced-growth</p> <p>Non-financial report: 2.3.1 Risk management; 5.1 Business in the face of climate change</p>
Possible actions: PRODUCT AND SERVICE DEVELOPMENT	DETAILS/REFERENCE
<p>Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management</p> <p>Develop or support literacy programmes on risk, insurance and ESG issues</p>	<p>Non-financial report: 3.3 Client at the center of attention, 2.3.1 Risk management; 5.1 Business in the face of climate change</p> <p>Non-financial report: 2.3.1 Risk management; 4.1 Business in the face of climate change; 3.5 PZU Group's social commitment</p>



Principle 1: WE WILL EMBED IN OUR DECISION-MAKING ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES RELEVANT TO OUR INSURANCE BUSINESS.

Possible actions: CLAIMS MANAGEMENT	DETAILS/REFERENCE
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	Non-financial report : 3.3 Client at the center of attention,
Integrate ESG issues into repairs, replacements and other claims services	Non-financial report : 3.3 Client at the center of attention, 3.3.3.5 Claims handling, 2.3.1 Risk management; 5.1 Business in the face of climate change
Possible actions: SALES AND MARKETING	DETAILS/REFERENCE
Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns	Non-financial report : 3.3 Client at the center of attention
Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood	Non-financial report : 3.3 Client at the center of attention
Possible actions: INVESTMENT MANAGEMENT	DETAILS/REFERENCE
Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)	Non-financial report : 2.3.1 Risk management; 2.3.2.1 Investment strategy

Principle 2: WE WILL WORK TOGETHER WITH OUR CLIENTS AND BUSINESS PARTNERS TO RAISE AWARENESS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES, MANAGE RISK AND DEVELOP SOLUTIONS.

Possible actions: CLIENTS AND SUPPLIERS	DETAILS/REFERENCE
Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues	Non-financial report : 5.2 Dialogue with the environment; 3.5 PZU Group's social commitment; 3.4 Rules of cooperation with business partners
Provide clients and suppliers with information and tools that may help them manage ESG issues	Non-financial report : 2.3.2 Strategy 2021-2024; 3.4 Rules of cooperation with business partners
Integrate ESG issues into tender and selection processes for suppliers	Non-financial report : 3.3 Client at the center of attention; 3.4 Rules of cooperation with business partners
Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework	Non-financial report : 3.4 Rules of cooperation with business partners

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Possible actions: INSURERS, REINSURERS AND INTERMEDIARIES	DETAILS/REFERENCE
Promote the adoption of the Principles	Non-financial report : 3.3 Client at the center of attention; 3.4 Rules of cooperation with business partners
Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry	Non-financial report : 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change

Principle 3: WE WILL WORK TOGETHER WITH GOVERNMENTS, REGULATORS AND OTHER KEY STAKEHOLDERS TO PROMOTE WIDESPREAD ACTION ACROSS SOCIETY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES.

Possible actions: GOVERNMENTS, REGULATORS AND OTHER POLICYMAKERS	DETAILS/REFERENCE
Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	Non-financial report : 2.3.1 Risk management; 2.3.2.1 Investment strategy; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	Non-financial report : 2.3.1 Risk management; 2.3.2.1 Investment strategy; 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change
Possible actions: OTHER KEY STAKEHOLDERS	DETAILS/REFERENCE
Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise	Non-financial report : 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change
Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies	Non-financial report : 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change; 2.3.2 Strategy
Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business	Non-financial report : 2.3.2.2 Innovation strategy; 2.3.2 Strategy
Dialogue with media to promote public awareness of ESG issues and good risk management	Non-financial report : 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change; 2.3.2 Strategy

Principle 4: WE WILL DEMONSTRATE ACCOUNTABILITY AND TRANSPARENCY IN REGULARLY DISCLOSING PUBLICLY OUR PROGRESS IN IMPLEMENTING THE PRINCIPLES

Possible actions	DETAILS/REFERENCE
Assess, measure and monitor the company’s progress in managing ESG issues and proactively and regularly disclose this information publicly	Non-financial report : 5.2 Dialogue with the environment; 2.2 Ethical basics of doing business; 4.1.Business in the face of climate change; 2.3.2 Strategy
Participate in relevant disclosure or reporting frameworks	Non-financial report : 5.1 Approach to reporting
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	Non-financial report : 5.1 Approach to reporting; 5.2 Dialogue with the environment;