

Implementation of Principles for Sustainable Insurance (2022)

In 2017, PZU signed the Principles for Sustainable Insurance (PSI).
This Report relates to the information for 2022 Financial year.

Link to document:

[Report on non-financial information of the PZU Group and PZU SA in 2022 - “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
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	Non-financial report : 2.1.9. Management Board Responsibility for issues of ESG/ 2.1.7. Compensation policy/ 2.1.3. Governing and supervisory bodies of PZU and PZU Życie/ 2.6. Value Creation Model/ 2.7. Strategy/ 2.7.1 Implementation in 2022/ 3.1.6. Remuneration and benefits (ESG strategy indicator: ESG targets in management staff’s annual targets)
Dialogue with company owners on the relevance of ESG issues to company strategy	Non-financial report : 2.7. Strategy/ 2.7.1 Implementation in 2022/ 5.1. Approach to reporting/ 5.2. Dialogue with the environment
Integrate ESG issues into recruitment, training and employee engagement programmes	Non-financial report : 3.1.8. Knowledge and experience sharing/ 3.3.4.2. Volunteerism / 4.1.5. Employees’ education in sustainable development
Possible actions: RISK MANAGEMENT AND UNDERWRITING	
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	Non-financial report : 4.1.3. ESG Strategy– approach to management in climate/ 4.1.4.3. Investment in and support of energy transition/ 4.1.4.4. Adaptation to climate change/ 2.1.11. Investment policy – TFI and PTE PZU
Integrate ESG issues into risk management, underwriting and capital adequacy decision making processes, including research, models, analytics, tools and metrics	Non-financial report : 2.5. Risk management/ 4.1.2. Analysis of climate change and risk identification
Possible actions: PRODUCT AND SERVICE DEVELOPMENT	
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	Non-financial report : 4.1.3. ESG Strategy– approach to management in climate/ 4.1.4. Product offering – prevention and adaptation / 4.1.4.1. Corporate clients/ 4.1.4.2. Individual clients and SMEs/ 4.1.4.3. Investment in and support of energy transition/ 4.1.4.4. Adaptation to climate change
Develop or support literacy programmes on risk, insurance and ESG issues	Non-financial report : 4.1.5. Employees’ education in sustainable development/ 2.1.9. Management Board Responsibility for issues of ESG / 3.2.1. Responsible sales/ 3.1.8. Knowledge and experience sharing/ 3.1.7. Training and development
Possible actions: CLAIMS MANAGEMENT	
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	Non-financial report : 3.2.4. Complaints and grievances/ 3.2.3. Claims handling

Integrate ESG issues into repairs, replacements and other claims services	Non-financial report : 4.1.4.2. Individual clients and SMEs (Limiting adverse impact in value chain - Green Parts; Assistance TUW PZUW; Bicycle instead of a replacement car)
Possible actions: SALES AND MARKETING	
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 : 3.2.1. Responsible sales / 4.1.5. Employees' education in sustainable development / 2.7.1 Implementation in 2022
Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood	Non-financial report : 3.2.1. Responsible sales/ 3.2.1.1. Product design/ 3.2.1.2. Advertising ethics/ 3.2.1.3. Plain language
Possible actions: INVESTMENT MANAGEMENT	
Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)	Non-financial report : 4.1.4.3. Investment in and support of energy transition/ 4.1.4.4. Adaptation to climate change/ 2.1.11. Investment policy – TFI and PTE PZU/

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 : 2.4. Cooperation with business partners/ 5.2. Dialogue with the environment
Provide clients and suppliers with information and tools that may help them manage ESG issues	Non-financial report : 2.4. Cooperation with business partners
Integrate ESG issues into tender and selection processes for suppliers	Non-financial report : Cooperation with business partners
Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework	Non-financial report : 2.4. Cooperation with business partners/ 5.2. Dialogue with the environment

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 : 4.1.1. Global challenges to sustainable development/ 4.1.2. Analysis of climate change and risk identification/ 4.1.3. ESG Strategy– approach to management in climate/ 2.1.10. Approach to innovation/ 2.5. Risk management
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	Non-financial report : 4.1.1. Global challenges to sustainable development/ 4.1.2. Analysis of climate change and risk identification/ 4.1.3. ESG Strategy– approach to management in climate/ 2.1.10. Approach to innovation/ 2.5. Risk management/ 5.2. Dialogue with the environment
Possible actions: OTHER KEY STAKEHOLDERS	
Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise	Non-financial report : 4.1.1. Global challenges to sustainable development
Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies	Non-financial report : 4.1.1. Global challenges to sustainable development
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 : 3.1.8. Knowledge and experience Sharing/ 3.3.2.2. Cooperation with corporate clients
Dialogue with media to promote public awareness of ESG issues and good risk management	Non-financial report : 5.2. Dialogue with the environment

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 : 2.1.9. Management Board Responsibility for issues of ESG; 2.7. Strategy; 2.7.1 Implementation in 2022
Participate in relevant disclosure or reporting frameworks	Non-financial report :: 5. About this report / Participation in the best Annual Report contest
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	Non-financial report : 5.2. Dialogue with the environment