



### Governance – we are building our CSR position in the industry

The actions taken in this area concentrate on formulating the CSR policy within the PZU Group, defining objectives and strategic metrics and tending to the active and factual implementation of planned efforts.

Governance initiatives call for coordinating ventures and duties discharged by all the PZU Group companies. Every year the "PZU Group's non-financial report" is drafted. Its membership in the Respect Index, a stock index consisting of companies espousing corporate social responsibility, since 2012 also makes it possible to render an accurate and objective evaluation of the Group's CSR activities.

The Group's ambition is to ensure efficient and comprehensible internal communication regarding CSR-related values, objectives and practices. This should provide for appreciation of the planned activities and support from persons and units guaranteed in the execution of the CSR Strategy.

**"New PZU" 2020 ambition**  
– Building its CSR position in the financial industry - Membership in the Respect Index of listed companies observing corporate social responsibility  
> membership in the index at a minimum average level for the industr

Its result was lower than the average result in the financial industry. Among other things, this was the result of greater pressure on reporting at the Group level, i.e. including Bank Pekao and Alior Bank. Efforts will be taken in 2019 to streamline communication, thereby making it possible to report the required data to a broader extent.



### We respond to the needs of our clients

The PZU Group endeavors to be a stable and trustworthy partner for its clients. That is why it plans to have long-term relations with them and attempts to anticipate their needs.

These assumptions are pursued in PZU and PZU Życie under the formula known as the Client Experience Management Program. Client opinions and satisfaction are monitored on an ongoing basis, in particular by running satisfaction studies on service and products and by examining complaints. Client experience maps are prepared to identify which elements of service are in need of repair.

**"New PZU" 2020 ambition**  
– NPS (satisfaction) indicator for retail clients in insurance  
>higher than the competition   
– indicator concerning the timeliness of examining complaints  
95% up to 28 days

Clients were once again inclined to recommend PZU to a greater extent in 2018 in comparison to the competition. Its NPS (Net Promoter Score) was 7.3 p.p. higher than the competition's. This score is to a large extent the outcome of a broad array of client satisfaction and loyalty studies, enabling us to satisfy client needs effectively and identify the organization's strengths and areas in need of modification and improvement.



### We create an inspiring place of work

The PZU Group is striving to be the best employer on the markets where it renders services. Its objectives are as follows: being in the leadership position among the financial industry companies most frequently selected by people looking for employment, engaged and top of class staff on the market and maintaining a low level of turnover among the organization's top talents.

To achieve these goals the PZU Group:

- offers transparent development paths;
- facilitates employee development;
- advances entrepreneurship, innovation;
- team work and instils better quality in organizational culture,
- tweaks processes related to counteracting employee attrition;
- develops a program to retain key employees;
- offers a friendly environment and development opportunities, while at the same time guaranteeing respect for lifework balance.

**"New PZU" 2020 ambition**  
– employee engagement rate 55%  
– percentage of women in managerial positions min. 50%

The commitment index rose 5 p.p. in 2018 to 40%. The participation ratio was 73% (52% in 2017).



### We manage our environmental impact with a sense of awareness

The PZU Group is devising its own environmental standard to define the key assumptions pertaining to its governance approach to environmental issues. They are embodied by these principles:

- sustainable development;
- high level of environmental protection;
- prudence and prediction of the possible adverse impacts of actions;
- prevention, prevention of pollution and its elimination at its source;
- inclusion of environmental protection elements into business policy and strategy;
- partnership, or the requirement for all PZU Group entities to take joint environmental protection actions.

**"New PZU" 2020 ambition**  
– implementation of the "Green PZU" standard by 2020  
complete implementation

In November 2018 the "PZU Group Standard - Green PZU" was enacted with detailed guidelines for planned implementation in the environment. They should be completed by the end of 2020.



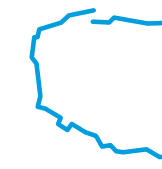
### We cultivate a risk management system and a culture of ethics and compliance

The risks inherent in PZU's business are covered by the risk management system established on the basis of the following four levels of authority: the Supervisory Board, the Management Board, Committees and the operational level.

A detailed description of the approach to risk management has been provided in the section Ethics - risk management giving consideration to non-financial risks.

**"New PZU" 2020 ambition**  
– Risk assessment framework score (BION) for PZU and PZU Życie  
good level

As at 2017 (last available data)



### We are a leader in social activities focusing on security

Insurance companies are responsible for the risks of other persons. That is why social engagement among insurers takes on special meaning. For many years the PZU Group has taken specific and measurable efforts to attenuate risk at source by using the prevention fund.

On top of sponsoring activity or the charitable activity of the PZU Foundation, the PZU Group gets involved in social investments to reduce risk and simultaneously produce business and social benefits. These initiatives' major objective is to prevent accidents, reduce their repercussions and support activities advancing health prevention.

The strategic pillars underpinning PZU's social involvement are as follows: safety (road and public safety, at the local level), health, culture and expert approach with respect to which the key measures were described in detail in the section Impact of our activities on the environment.

**"New PZU" 2020 ambition**  
– financial commitment to social activit  
>at the level of over PLN 50 million annual

Financial commitment to social activity in 2018: 86.8 million.



### We are devising new standards in relations with suppliers

PZU has an awareness of its material impact on the procurement market and its responsibility for shaping the top business standards. The PZU Group companies advance the idea of corporate social responsibility in relations with their suppliers, cooperating only with business partners who observe human rights and act in compliance with legal regulations, in particular with regard to the prevention of corruption. They also expect their partners to provide safe and dignified work conditions, apply the highest ethical standards and care for the natural environment.

**"New PZU" 2020 ambition**  
– percentage of suppliers adhering to the "Code of CSR Best Practices for PZU's Suppliers"  
90% of contracts contain an obligation to adhere to the "Code of CSR Best Practices for PZU's Suppliers"

The "Code of CSR Best Practices for PZU's Suppliers" was prepared.

Preparations were underway in 2018 to implement a new procurement platform that, according to the assumptions underpinning the CSR strategy, will incorporate the necessity of affirming the obligation to abide by the "Code of CSR Best Practices.