



**Information resulting from Article 7(1) of the SFDR<sup>1</sup> and from Articles 4-10 and Annex I of the Delegated Regulation<sup>2</sup>**

**Statement on the material adverse sustainability impacts<sup>3</sup> of investment decisions at product level**

**Financial product** PZU Na Dobry Początek individual dowry insurance  
**LEI** 549300TNSHGVU2UXO005<sup>4</sup>

**Executive Summary**

In respect of its PZU Na Dobry Początek individual dowry insurance, PZU Życie SA, when managing funds to cover its liabilities under the insurance contracts, takes into account the material adverse sustainability impacts of its investment decisions at product level.

This statement constitutes a statement on the material adverse sustainability impacts resulting from PZU Życie SA's activities at product level. The product is PZU Na Dobry Początek individual dowry insurance.

This statement on the material adverse sustainability impacts covers the reference period from 1 January 2023 to 31 December 2023.

PZU Życie SA makes investment decisions in respect of investing funds to cover insurance liabilities arising from PZU Na Dobry Początek individual dowry insurance. The funds earmarked for covering liabilities are invested in debt securities issued, backed or guaranteed by the State Treasury of the Republic of Poland.

PZU Życie SA considers the material adverse sustainability impacts of its investment decisions, except that the investment decisions are taken within the framework of an investment strategy which envisages investment in debt securities issued, backed or guaranteed by the State Treasury of the Republic of Poland.

Furthermore, PZU Życie SA publishes the material adverse sustainability impacts in quantitative terms, so that the information is based on Annex I of the Delegated Regulation. This information is published below.

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<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

<sup>2</sup> Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, which supplements Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the contents, methods and the form of presentation of the information in respect of sustainability indicators and adverse sustainability impacts, as well as specifying the contents, and the form of presentation of the information in respect of promoting the environmental or social aspects as well as sustainable investment objectives in the documents made available prior to the conclusion of the agreement, on Internet websites and in interim reports

<sup>3</sup> Pursuant to the SFDR, adverse sustainability impacts shall be understood as effects of investment decisions which have negative influence on aspects of sustainable development, i.e. the environmental, social and employee issues, issues related to the respect for human rights as well as combating of corruption and bribery.

<sup>4</sup> LEI for PZU Życie SA

## Description of the material adverse sustainability impacts

Indicators applicable to investments in investee companies					
Adverse sustainability impact indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Measures taken, measures planned and objectives defined for the next reference period
CLIMATE-RELATED INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
Greenhouse gas emissions	1. Greenhouse gas emissions	Scope 1 greenhouse gas emissions		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
		Scope 2 greenhouse gas emissions		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
		Scope 3 greenhouse gas emissions		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
		Total greenhouse gas emissions		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
	2. Carbon footprint	Carbon footprint		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
	3. Intensity of greenhouse gas emissions in investee companies	Intensity of greenhouse gas emissions in investee companies		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
	4. Exposure to enterprises of the fossil fuel sector	Share of investments made in enterprises operating in the fossil fuel sector		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	
	5. Share of energy consumed and generated from non-renewable sources	Share of non-renewable energy consumed and generated by investee companies, relative to energy resources from renewable sources,		Not applicable. Assets of the financial product are not invested in any corporate financial instruments	

		expressed as a percentage of the total energy resources	
	6. Energy consumption intensity per given sector with significant climate impacts	Energy consumption expressed in GWh per EUR million generated in revenues of investee companies attributable to the respective sector with significant climate impact	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
Biodiversity	7. Activities resulting in adverse impact for biodiversity sensitive areas	Share of investments made in companies having facilities/conducting operations in biodiversity sensitive areas or in the vicinity of such areas, if the operation of such companies exerts an adverse impact on these areas	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
Water	8. Emissions into water	Tons of emissions into water generated by investee companies per each one EUR million invested; the indicator expressed as a weighted average	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
Wastes	9. Indicator of hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste generated by investee companies per EUR million invested	Not applicable. Assets of the financial product are not invested in any corporate financial instruments

		(indicator expressed as a weighted average)	
<b>INDICATORS IN RESPECT OF SOCIAL AND EMPLOYEE ISSUES, RESPECT FOR HUMAN RIGHTS AND COMBATING CORRUPTION AND BRIBERY</b>			
Social and Employee Issues	10. Violations of UN Global Compact principles or Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.	Share of investments in companies that violated or continue to violate the Global Compact initiative or the OECD Guidelines for Multinational Enterprises	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
	11. No processes or mechanisms to monitor compliance with Global Compact principles and the OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles, OECD Guidelines for Multinational Enterprises, and without grievance/complaints handling mechanisms to address violations of the Global Compact initiative principles or the OECD Guidelines for Multinational Enterprises	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	Not applicable. Assets of the financial product are not invested in any corporate financial instruments
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of the total number of board members	Not applicable. Assets of the financial product are not invested in any corporate financial instruments

	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	Not applicable. Assets of the financial product are not invested in any corporate financial instruments			
Indicators applicable to investments in treasury bonds and bonds issued transnationally						
Adverse sustainability impact indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Measures taken, measures planned and objectives defined for the next reference period
Environmental Issues	15. Intensity of greenhouse gas emissions	Intensity of greenhouse gas emissions for bond investee countries	508.28 t CO2e/EUR million GDP	266.36 t CO2e/EUR million GDP	Major changes in certain indicators (effects on sustainability factors) compared to the 2022 data are a consequence of the fact that in 2022, for many indicators, some companies refrained from publishing any data. As regards indicators for which the companies that published data related to the indicator in	PZU Życie SA considers the material adverse sustainability impacts of its investment decisions, except that the investment decisions are taken within the framework of an investment strategy which envisages investment in debt securities issued, backed or guaranteed by the State Treasury of the Republic of Poland.
Social issues	16. Bond investee countries with a record of breaches in respect of social issues	Number of bond investee countries with a record of breaches in respect of social issues (in absolute terms and indirectly, as a percentage of all the countries in whose bonds investment has been made), named in international treaties and conventions, UN principles and, where applicable, national law	0	0		

					<p>question accounted for a small percentage of the product portfolio, the published data failed to reliably reflect the metrics of the main adverse impacts on sustainability factors. In turn, in 2023, more companies published their data, meaning that the two datasets may be incomparable. Moreover, ESG datasets keep getting changed and improved as disclosure standards, regulatory frameworks and industry practices evolve. The data provider (Bloomberg) is constantly working to</p>	
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					improve data quality and methodology.	
Indicators Applicable to Investments in Property						
Adverse sustainability impact indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Measures taken, measures planned and objectives defined for the next reference period
Fossil fuels	17. Fossil fuels exposure in connection with property	Share of investments in property related to the extraction, storage, transport or production of fossil fuels	Not applicable. Assets of the financial product are not invested in any property			
Energy efficiency	18. Exposure to energy-inefficient property	Share of investments in energy-inefficient property	Not applicable. Assets of the financial product are not invested in any property			

#### Additional climate-related indicators and other environmental indicators

CLIMATE-RELATED INDICATORS AND OTHER ENVIRONMENTAL INDICATORS						
Indicators applicable to investments in treasury bonds and bonds issued transnationally						
Adverse sustainability impact indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Measures taken, measures planned and objectives defined for the next reference period
Green securities	17. Share of bonds not issued based on the EU regulations on environmentally sustainable bonds	Share of bonds not issued based on the EU regulations on environmentally sustainable bonds	100%	100%	Not applicable	Explanation is given in the table with a description of the indicators applicable to investments in treasury bonds and bonds issued transnationally.

**Additional indicators in respect of social and employee issues, respect for human rights and combating corruption and bribery**

INDICATORS IN RESPECT OF SOCIAL AND EMPLOYEE ISSUES, RESPECT FOR HUMAN RIGHTS AND COMBATING CORRUPTION AND BRIBERY						
Indicators applicable to investments in treasury bonds and bonds issued transnationally						
Adverse sustainability impact indicator		Metric	Impact [2023]	Impact [2022]	Explanation	Measures taken, measures planned and objectives defined for the next reference period
Governance	22. Non-cooperative tax jurisdictions	Investments in jurisdictions listed in the EU's list of non-cooperative tax jurisdictions <sup>5</sup>	0	0	Not applicable	Explanation is given in the table with a description of the indicators applicable to investments in treasury bonds and bonds issued transnationally.

**Other indicators**

Not applicable. PZU Życie SA does not apply adverse sustainability impacts in order to identify and evaluate additional material adverse impacts for a given sustainability factor other than those given in the tables above.

<sup>5</sup> List of non-cooperative tax jurisdictions: <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>



## **Description of the strategy of identification and hierarchy ranking of material sustainability impacts**

In respect of its PZU Na Dobry Początek individual dowry insurance, when making investment decisions in respect of investing funds covering insurance liabilities, PZU Życie SA applies an ESG criteria-based scoring methodology applicable to the instruments in which the assets under management are invested or to issuers of such instruments.

For debt securities issued, backed or guaranteed by the State Treasury of the Republic of Poland, the current methodology adopts the highest rating in terms of sustainability criteria. In accordance with the current methodology, all countries in the European Union have been assigned the highest rating in terms of sustainability criteria.

Derivatives contracts are not evaluated for their sustainability impacts.

As has been mentioned above, investment decisions are made within the framework of an investment strategy which envisages investment in debt securities issued, backed or guaranteed by the State Treasury of the Republic of Poland.

At present, PZU Życie SA's contracts of PZU Na Dobry Początek individual dowry insurance that are currently in force do not envisage the objective of mitigating the material adverse impacts of investments. Furthermore, PZU Życie SA discloses these material adverse impacts of investments.

As a result, PZU Życie SA has not developed a strategy of identification and hierarchy ranking of material adverse sustainability impacts for investment products offered by PZU Życie SA.

### **a) date of the strategies' approval by the financial market participant's governance body**

Not applicable.

### **b) division of responsibility for the implementation of these strategies in organizational strategies and procedures**

Not applicable.

### **c) methods of selecting the indicators referred to in Article 6 sec. 1(a), (b) and (c) of the Delegated Regulation, as well as the identification and evaluation of the material adverse impacts referred to in Article 6 sec. 1, and in particular an explanation of how these methods take into account the likelihood and severity of such material adverse impacts, including their potentially irreversible character**

**The indicators referred to in Article. 6 sec. 1(a) of the Delegated Regulation** are the indicators given in Table 2 of Annex I to the Delegated Regulation. These are additional climate-related indicators and other environmental indicators.

Among these indicators, PZU Życie SA, using the expert method on the basis of the arguments presented below, has chosen indicator no. 17 "Share of bonds not issued based on the EU regulations on environmentally sustainable bonds". PZU Życie SA believes that it is an unambiguous indicator, because such bonds can be identified in unequivocal and undisputed manner. Furthermore, the indicator covers important aspects given the impact of green securities on sustainability. Therefore, it represents important information weight for the policyholders. In addition, it is a comprehensive indicator, rather than one focusing on one section of activities only, and the data for its publication is easily available.

**The indicators referred to in Article. 6 sec. 1(a) of the Delegated Regulation** are the indicators given in Table 3 of Annex I to the Delegated Regulation. These are additional indicators in respect of social and employee matters, respect for human rights and combating corruption and bribery.

Among these indicators, PZU Życie SA, using the expert method on the basis of the arguments presented below, has chosen indicator no. 22 "Investments in jurisdictions listed in the EU's list of non-cooperative tax jurisdictions". PZU Życie SA believes that this indicator is unambiguous, because investments in such jurisdictions can be identified in unequivocal and undisputed manner. Furthermore, the indicator covers important aspects given the very adverse impact of investments in such jurisdictions. Therefore, it represents important information weight for the

policyholders. In addition, it is a comprehensive indicator, rather than one focusing on one section of activities only, and the data for its publication is easily available.

**The indicators referred to in Article 6 sec. 1(c) of the Delegated Regulation** are potential other indicators. As has been mentioned above, PZU Życie SA does not apply any other adverse sustainability impacts in order to identify and evaluate additional material adverse impacts for a given sustainability factor.

**d) each margin of error linked to application of the methods referred to in this section in letter (c), including an explanation of the margin of error**

Not applicable.

**e) data sources used**

Data on the Republic of Poland as an issuer of securities issued, backed or guaranteed by the State Treasury have been obtained from Bloomberg and publicly available sources.

### **Engagement Policy**

**a) brief summary of the engagement policy, referred to in Article 3(g) of Directive 2007/36/EC of the European Parliament and of the Council**

Not applicable

**adverse impacts indicators considered in the engagement policy**

Not applicable.

**information regarding how the engagement policy will be adapted if the material adverse impacts have not been reduced over a time longer than one reporting period**

Not applicable.

**b) brief summary of any other engagement policy to reduce material adverse impacts**

Not applicable.

### **References to international standards**

In this section, PZU Życie SA discloses whether and to what extent it observes corporate social responsibility codes as well as internationally recognized standards of due diligence and reporting. Furthermore, PZU Życie SA discloses in the relevant cases to what degree it has complied with the goals of the Paris Agreement.

PZU Życie SA considers the material adverse sustainability impacts: (10) Violations of UN Global Compact principles or Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and (11) No processes or mechanisms to monitor compliance with Global Compact principles and the OECD Guidelines for Multinational Enterprises, in quantitative terms, that is, it publishes data.

In addition to these main adverse impacts on sustainability factors, PZU Życie SA does not apply international standards in the context of material adverse sustainability impacts of investment decisions in respect of products.

**a) information on the indicators used to consider the material adverse sustainability impacts as referred to in Article 6 sec. 1 of the Delegated Regulation, by means of which the degree of compliance with the said code or alignment with the said objectives referred to above is measured**

Not applicable.

**b) information on the method and data used to measure the degree of compliance with the said code or alignment with the said objectives referred to above, including a description of the scope of application, data sources and how the method forecasts the material adverse impacts of the investee companies' operations**

Not applicable.

**c) information on whether forward-looking climate scenarios are used and, if so, the name and provider of the scenario and when it was developed**

Not applicable.

**d) if a forward-looking climate scenario is not used - an explanation of why the financial market participant considers forward-looking climate scenarios relevant**

Not applicable.

#### **Comparison with historical data**

Changes in certain indicators (effects on sustainability factors) compared to the 2022 data are a consequence of the fact that in 2022, for many indicators, some companies refrained from publishing any data. In turn, in 2023, more companies published their data, meaning that the two datasets may be incomparable. Moreover, ESG datasets keep getting changed and improved as disclosure standards, regulatory frameworks and industry practices evolve. The data provider (Bloomberg) is constantly working to improve data quality and methodology.