



**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** Świat Inwestycji Premium II individual unit-linked life insurance  
**LEI** 549300TNSHGVU2UXO005<sup>4</sup>

**Executive Summary**

PZU Życie SA considers the material adverse sustainability impacts of its investment decisions at the level of its Świat Inwestycji Premium II individual unit-linked life insurance product.

This statement constitutes a statement on the material adverse sustainability impacts resulting from PZU Życie SA's activities at product level. The product consists of unit-linked life insurance.

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

The unit-linked insurance funds are invested in participation units and titles of investment funds or in bank deposits.

In the process of selecting investment funds, PZU Życie follows a policy of sustainable investing. In accordance with this policy, PZU Życie SA takes into consideration whether:

- the investment fund management company managing the fund takes into account the material sustainability impacts of their investment decisions and whether it discloses or will disclose their scope in compliance with the Delegated Regulation,
- the investment fund in question aims at sustainable investments or promotes sustainability aspects.

Being guided by the wording of the contracts of insurance as well as the policyholder's and the insured's interests, PZU Życie SA considers the above mentioned information when taking decisions on the selection of the investment funds whose participation units and participation titles will be purchased for the unit-linked fund's assets collected under the unit-linked life insurance agreement, including other criteria of investment fund evaluation.

PZU Życie SA outsourced to TFI PZU SA the management of unit-linked life insurance funds whose assets are invested in the participation units or titles of various investment funds (the so-called model funds). Being guided by the wording of the contracts of insurance, the policyholder's and the insured's interests, as well as considering

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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

the product's investment objectives, rules of asset investment diversification and other investment restrictions, the investment selection criteria and the adopted benchmarks and reference rates arising from the law, PZU Życie SA committed TFI PZU SA that when managing the portfolios of these unit-linked funds the company take into account the material adverse sustainability impacts only when it does not negatively impact the expected rate of return on the product as well as the relation of the expected profit to the value of risk, except that the possibility to take into account the material adverse sustainability impacts of investment decisions is limited or excluded in respect of products with defined investment policy.

In the life insurance agreement entered into with the unit-linked fund, the policyholder selects the unit-linked funds in which they wish to invest the funds from their insurance premium.

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.

PZU Życie SA notes that the companies in which the funds have been invested are not required to prepare and publish data on the indicators of adverse sustainability impacts. Some of these companies publish such information on a voluntary basis. For some indicators, more companies in which the assets have been invested publish such data, whereas for other indicators there are very few companies that publish such data. PZU Życie SA has not performed any data estimates in respect of the indicators for the companies that do not publish the data, because such estimates would not be reliable and could be misleading for customers. In section "Description of the strategy of identification and hierarchy ranking of the material adverse sustainability impacts", point (e) "data sources used" in the table, the "Data Coverage" column indicates what percentage of the investment portfolio is made up of companies that have published data concerning a particular index. For some indicators, this percentage is very low, which means that the data published does not reliably reflect the material adverse sustainability impacts of PZU Życie SA's operations.

## Description of the material adverse sustainability impacts

Indicators applicable to investments in investee companies							
Adverse sustainability impact indicator	Metric	Impact [2023]	Impact [Year 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	2.45 K MT CO2e	0.27 K MT CO2e	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 question accounted for a small percentage of the product portfolio, the published data	Being guided by the wording of the contracts of insurance, the policyholder's and the insured's interests as well as considering the financial products' investment objectives, rules of asset investment diversification and other investment restrictions, the investment selection criteria and the adopted benchmarks and reference rates arising from the law for selecting investment funds the units and titles of which will be purchased as part of the investment of the unit-linked fund's collected under the Świat Inwestycji Premium II individual unit-linked life insurance agreement, PZU Życie SA takes into account the material adverse sustainability impacts only when it does not negatively impact the expected rate of return on the product for the policyholder as well as the relation of the expected profit to the value of risk, except that the possibility to take into account the material adverse sustainability impacts of investment decisions is limited or excluded in respect of products with a defined investment policy.	
		Scope 2 greenhouse gas emissions	0.04 K MT CO2e	0.02 K MT CO2e			
		Scope 3 greenhouse gas emissions	0.79 K MT CO2e	0.67 K MT CO2e			
		Total greenhouse gas emissions	3.28 K MT CO2e	0.96 K MT CO2e			
	2. Carbon footprint	Carbon footprint	519.72 K MT CO2e/EUR million invested	615.75 K MT CO2e/EUR million invested			
	3. Intensity of greenhouse gas emissions in investee companies	Intensity of greenhouse gas emissions in investee companies	353.05 K MT CO2e/EUR million in revenues <sup>5</sup>	105.10 K MT CO2e/EUR million in revenues			
	4. Exposure to enterprises of the fossil fuel sector	Share of investments made in enterprises operating in the fossil fuel sector	2.98%	3.19%			At present, PZU Życie SA's Świat Inwestycji Premium II individual unit-linked life insurance agreements that are currently in force do not envisage the objective of mitigating the material adverse impacts of investments. PZU Życie SA

<sup>5</sup> The calculation of the indicator for 2022 was based on Scope 1 and 2 emissions, while the calculation of the indicator for 2023 was based on Scope 1, 2 and 3 emissions.

	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, expressed as a percentage of the total energy resources	Consumption 3.39%  Production 0.00%	Consumption 4.30%  Production 1.40%	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 improve data quality and methodology.	does not exclude that in the future the objective of mitigating the material adverse sustainability impacts of investment decisions will be introduced. For such products, the description of adverse impacts will comprise both a description of the adverse impacts as well as the procedures introduced in order to mitigate their effects. Furthermore, PZU Życie SA discloses material adverse impacts of its investments.
	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	0.03 GWh/EUR million	0.09 GWh/EUR million		
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	0.00	0.00		
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	0.04 tons/EUR million invested	0.118 tons/EUR million invested		

Wastes	9. Indicator of hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste generated by investee companies per EUR million invested (indicator expressed as a weighted average)	0.04 tons/EUR million invested	0.067 tons/EUR million invested		
INDICATORS IN RESPECT OF SOCIAL AND EMPLOYEE ISSUES, RESPECT FOR HUMAN RIGHTS AND COMBATING CORRUPTION AND BRIBERY						
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	2.96%	1.76%	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 question accounted for a small percentage of the product portfolio, the published data	Being guided by the wording of the contracts of insurance, the policyholder's and the insured's interests as well as considering the financial products' investment objectives, rules of asset investment diversification and other investment restrictions, the investment selection criteria and the adopted benchmarks and reference rates arising from the law for selecting investment funds the units and titles of which will be purchased as part of the investment of the unit-linked fund's collected under the Świat Inwestycji Premium II individual unit-linked life insurance agreement, PZU Życie SA takes into account the material adverse sustainability impacts only when it does not negatively impact the expected rate of return on the product for the policyholder as well as the relation of the expected profit to the value of risk, except that the possibility to take into account the material adverse sustainability impacts of investment decisions is limited or excluded in respect of products with a defined investment policy.  At present, PZU Życie SA's Świat Inwestycji Premium II individual unit-linked life insurance agreements that are currently in force do not envisage the objective of mitigating the material adverse impacts of investments. PZU Życie SA
	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	19.32%	21.55%		

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	30.72%	21.76%	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 improve data quality and methodology.	does not exclude that in the future the objective of mitigating the material adverse sustainability impacts of investment decisions will be introduced. For such products, the description of adverse impacts will comprise both a description of the adverse impacts as well as the procedures introduced in order to mitigate their effects. Furthermore, PZU Życie SA discloses material adverse impacts of its investments.
	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	33.39%	23.35%		
	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	0.01%	0.10%		
<b>Indicators applicable to investments in treasury bonds and bonds issued transnationally</b>						
Adverse sustainability impact indicator	Metric	Impact [2023]	Impact [Year 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	146.85 t CO2e/EUR million GDP	107.58 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 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.	Being guided by the wording of the contracts of insurance, the policyholder's and the insured's interests as well as considering the financial products' investment objectives, rules of asset investment diversification and other investment restrictions, the investment selection criteria and the adopted benchmarks and reference rates arising from the law for selecting investment funds the units and titles of which will be purchased as part of the investment of the unit-linked fund's collected under the Świat Inwestycji Premium II individual unit-linked life insurance agreement, PZU Życie SA takes into account the material adverse sustainability impacts only when it does not negatively impact the expected rate of return on the product for the policyholder as well as the relation of the expected profit to the value of risk, except that the possibility to take into account the material adverse sustainability impacts of investment decisions is limited or excluded in respect of products with a defined investment policy.  At present, PZU Życie SA's Świat Inwestycji Premium II individual unit-linked life insurance agreements that are currently in force do not envisage the objective of mitigating the material adverse impacts of investments. PZU Życie SA does not exclude that in the future the objective of mitigating the material adverse sustainability impacts of investment decisions will be introduced. For such products, the description of adverse impacts will comprise both a description of the adverse impacts as well as the procedures introduced in order to mitigate their effects. Furthermore, PZU Życie SA discloses material adverse impacts of its investments.
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	5	10		

					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.	
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<b>Indicators Applicable to Investments in Property</b>						
Adverse sustainability impact indicator		Metric	Impact [2023]	Impact [Year 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 [Year 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	100.00%	100.00%	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 [Year 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>6</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>6</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**

For investment funds whose participation units or titles are purchased into unit-linked funds' portfolios, it is considered whether a given fund pursues a sustainable investments policy or promotes environmental or social aspects.

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- Furthermore, it is considered if the investment fund management company takes into account the material sustainability impacts of their investment decisions and whether it discloses their scope in compliance with the Delegated Regulation.

As has been mentioned above, being guided by the wording of the contracts of insurance, the policyholder's and the insured's interests as well as considering the product's investment objectives, rules of asset investment diversification and other investment restrictions, the investment selection criteria and the adopted benchmarks and reference rates arising from the law for selecting investment funds the units and titles of which will be purchased as part of the investment of the unit-linked fund's collected under the Świat Inwestycji Premium II individual unit-linked life insurance agreement, PZU Życie SA takes into account the material adverse sustainability impacts only when it does not negatively impact the expected rate of return on the product for the policyholder as well as the relation of the expected profit to the value of risk, except that the possibility to take into account the material adverse sustainability impacts of investment decisions is limited or excluded in respect of products with a defined investment policy.

At present, PZU Życie SA's Świat Inwestycji Premium II individual unit-linked life insurance agreements 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**

The unit-linked insurance funds are invested in participation units and titles of investment funds. To calculate the indicators of adverse impacts on sustainability for individual investee companies, PZU Życie SA has used the look-through criterion, i.e. it considered companies in investment funds' portfolios proportionately to the value of the unit-linked fund investment into a given investment fund.

PZU Życie SA notes that having applied the look-through criterion, as a financial market participant it displayed exposure to a large number of investee issuers, whereas for some issuers the share of instruments issued by the issuer in the financial products offered by PZU Życie SA (measured with the look-through criterion) was very low. PZU Życie SA assumed that the effect of adverse sustainability impacts for such issuers on the value of indicators describing the material adverse sustainability impacts resulting from the activities of PZU Życie SA at the level of the Świat Inwestycji Premium II individual unit-linked life insurance product is insignificant and decided that it will not consider indicators applicable to the issuers accounting for less than 0.05% of the product portfolio value (in terms of the look-through criterion). This cut-off point has been selected with the expert method, also taking into account the costs of obtaining market data. Upon application of this cut-off point, issuers whose indicators were considered account on average per annum for 83.71% of the Świat Inwestycji Premium II individual unit-linked life insurance product's assets, whereas the indicators for companies accounting for the remaining 16.29% of the product's assets have been disregarded.

In the table below, for each indicator of adverse sustainability impacts the table gives the data source, a commentary as well as the information on what percentage of the financial product portfolio is companies that have disclosed a given indicator (in terms of the look-through criterion).

Adverse sustainability impact indicator	Data source	Comments	Data coverage
Indicators applicable to investments in investee companies			
1. Greenhouse gas emissions	Bloomberg	The volume of greenhouse gas emissions is computed in accordance with the formula provided in the Delegated Regulation. For each investee company, the share of the current value of the investment <sup>7</sup> in the company's enterprise value is calculated <sup>8</sup> , which is multiplied by the company's greenhouse gas emissions - in this way we compute the exposure of the financial product to the greenhouse gas emissions of a given company. In the next step, the exposure to all investee companies is summed up - in this way we compute the greenhouse gas emissions attributable to the financial product. The indicator is expressed in thousands of megatons of carbon dioxide (CO <sub>2</sub> ). It is higher for financial products with greater underlying assets, and lower for financial products with less underlying assets.	Scope 1 greenhouse gas emissions: 53.97% Scope 2 greenhouse gas emissions: 53.97% Scope 3 greenhouse gas emissions: 36.22% Total greenhouse gas emissions: 36.22%
2. Carbon footprint	Bloomberg	Carbon footprint is computed in accordance with the formula provided in the Delegated Regulation. The volume of greenhouse gas emissions attributable to a financial product is calculated (in the manner described above for indicator 1 "Greenhouse gas emissions"), which is then divided by the current value of all investments <sup>9</sup> . The indicator is expressed in tons of CO <sub>2</sub> per EUR million of investment value (assets). It is comparable for financial products with various underlying assets.	72.08%
3. Intensity of greenhouse gas emissions in investee companies	Bloomberg	The intensity of greenhouse gas emissions is computed in accordance with the formula provided in the Delegated Regulation. The current value of investment into a given company is divided by the current value of all investments - in this way we compute the share of investment in a given company in the total value of all investments (assets) of the financial product. Moreover, for each investee company we divide its greenhouse gas emissions by its revenue in EUR million - in this way we compute the intensity of the company's greenhouse gas emissions. Then, the share of investment in a given company in the value of all investments is multiplied by the intensity of the company's greenhouse gas emissions - in this way we compute the exposure of a financial product to the intensity of greenhouse gas emissions of a given company. In the next step, the exposure to all investee companies is summed up - in this way we compute the greenhouse gas emission intensity attributable to the financial product. The indicator is	72.08%

<sup>7</sup> The term "current value of investment" means the value of investment, expressed in EUR, made by a financial market participant in the investee company. The basis computed for the calculation of the "current value of investment" is consistent with the definition of "enterprise value" (question I.1 in position JC 2022 62)

<sup>8</sup> The term "enterprise value" means the sum of market capitalization calculated as of the end of the fiscal year for ordinary shares, market capitalization for privileged shares and the carrying amount of the total indebtedness and non-controlling interests, without deducting cash and cash equivalents

<sup>9</sup> The term "current value of all investments" means the value, expressed in EUR, of all investments for a given financial product. The term "all investments" should be understood as both direct as well as indirect investments funding the investee companies or sovereigns, through funds, funds of funds, bonds, equity instruments, derivative instruments, loans, deposits, cash and any other securities or financial contracts (question I.2 in position JC 2022 62)

		expressed in tons of CO <sub>2</sub> per EUR million of the investee companies' revenues. It is comparable for financial products with various underlying assets.	
4. Exposure to enterprises of the fossil fuel sector	Bloomberg	The current value of investment in (i) enterprises that generate any kind of revenues from exploration, mining, distribution or refining of hard coal and lignite; (ii) enterprises that generate any kind of revenues from exploration, mining, distribution or refining of liquid fossil fuels; and (iii) enterprises that generate any kind of revenues from exploration and mining of gas fossil fuels or their dedicated distribution, is divided by the current value of all investments. The indicator is expressed in a percentage share in the financial product's assets. It is comparable for financial products with various underlying assets.	76.58%
5. Share of energy consumed and generated from non-renewable sources	Bloomberg	The share of energy from non-renewable sources consumed and the share of energy from non-renewable sources generated by investee companies are presented separately. Share of energy from non-renewable sources used and generated by the investee companies, relative to the energy resources from renewable sources, expressed as a percentage of total energy resources, is computed by the way of dividing the current value of investment in a given company, multiplied by the share (percentage) of energy from non-renewable sources used or generated by the company in the total energy resources, by the current value of all investments. For example, the share (percentage) of energy from non-renewable sources used by a company which represents 1% of the current value of all investments (assets) accounts for two times lower a final share in the financial product than the share (percentage) of energy from non-renewable sources used by a company which represents 2% of the current value of all investments (assets). The indicator is expressed in percentage share of energy from non-renewable sources in the total energy resources. It is comparable for financial products with various underlying assets.	Consumption 21.54% Production 0.01%
6. Energy consumption intensity per given sector with significant climate impacts	Bloomberg	Energy consumption (in GWh) per each one EUR million of the investee company's revenue is multiplied by the ratio of the current value of investment in this company and the current value of all investments. In the next step, the indicators for all investee companies are summed up. For example, the consumption of energy per each one EUR million of revenues (energy consumption intensity) of a company which represents 1% of the current value of all investments (assets) accounts for two times lower energy consumption intensity attributed to the financial product than the consumption of energy per each one EUR million of revenues of a company which represents 2% of the current value of all investments (assets). The indicator is expressed in GWh per each one EUR million of the companies' respective revenues. It is comparable for financial products with various underlying assets.	35.30%
7. Activities resulting in adverse impact for biodiversity sensitive areas	Bloomberg	It is assumed that if companies have facilities / conduct operations in biodiversity sensitive areas or in the vicinity of such areas, the operation of such companies has adverse impact on these areas. Share of investments made in companies having facilities/conducting	0.00%

		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, is computed as the share (percentage) of the current value of investments in companies that have at least one facility or conduct operations in such area in the current value of all investments. The indicator is expressed as a share (percentage) of the investment value (assets) of the financial product. It is comparable for financial products with various underlying assets.	
8. Emissions into water	Bloomberg	Tons of emissions into water generated by investee companies are multiplied by the ratio of the current value of investment in a given company and the current value of all investments. In the next step, the indicators for all investee companies are summed up. For example, a ton of emissions into water generated by a company which represents 1% of the current value of all investments (assets) accounts for two times lower a share in the indicator for a financial product than a ton of emissions into water generated by a company which represents 2% of the current value of all investments (assets). The indicator is expressed in tons of emissions into water per EUR million of investment value (assets) of the financial product. It is comparable for financial products with various underlying assets.	0.57%
9. Indicator of hazardous waste and radioactive waste	Bloomberg	Tons of hazardous waste and radioactive waste generated by investee companies are multiplied by the ratio of the current value of investment in a given company and the current value of all investments. In the next step, the indicators for all investee companies are summed up. For example, a ton of waste emissions generated by a company which represents 1% of the current value of all investments (assets) accounts for two times lower a share in the indicator for a financial product than a ton of waste emissions generated by a company which represents 2% of the current value of all investments (assets). The indicator is expressed in tons of emissions of hazardous and radioactive waste per EUR million of investment value (assets) of the financial product. It is comparable for financial products with various underlying assets.	19.08%
10. Violations of UN Global Compact principles or Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.	Bloomberg	The share of investments in investee companies that have violated or continue to violate UN Global Compact principles or OECD Guidelines for Multinational Enterprises in the current value of all investments.	69.56%
11. No processes or mechanisms to monitor compliance with Global Compact principles and the OECD Guidelines for	Bloomberg	Share of the current value 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 in the total value of all	69.56%

Multinational Enterprises		investments. It is comparable for financial products with various underlying assets.	
12. Unadjusted gender pay gap	Bloomberg	Average unadjusted gender pay gap of investee companies is multiplied by the ratio of the current value of investment in a given company and the current value of all investments. In the next step, the indicators for all investee companies are summed up. For example, an unadjusted gender pay gap in a company which represents 1% of the current value of all investments (assets) accounts for two times lower a share in the indicator for the financial product than an unadjusted gender pay gap in a company which represents 2% of the current value of all investments (assets). The indicator is expressed as a percentage of the unadjusted pay gap. It is comparable for financial products with various underlying assets.	8.19%
13. Board gender diversity	Bloomberg	Average ratio of female to male board members in investee companies, expressed as a percentage of the total number of board members, is multiplied by the ratio of the current value of investment in a given company and the current value of all investments. In the next step, the indicators for all investee companies are summed up. For example, the ratio of female to male board members in a company which represents 1% of the current value of all investments (assets) accounts for two times lower a share in the indicator for a financial product than the ratio of female to male board members in a company which represents 2% of the current value of all investments (assets). The indicator is expressed as a percentage reflecting the average ratio of female to male board members as a percentage of the total number of board members. It is comparable for financial products with various underlying assets.	63.53%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).	Bloomberg	Share of investments in investee companies involved in the manufacture or selling of controversial weapons in the current value of all investments.	69.56%
Indicators applicable to investments in treasury bonds and bonds issued transnationally			
15. Intensity of greenhouse gas emissions	Bloomberg	The intensity of greenhouse gas emissions is computed in accordance with the formula provided in the Delegated Regulation. The current value of investment in the bonds of a given country is divided by the current value of all investments – in this way we compute the share of investment in the bonds of a given country in the value of all investments of the financial product. Moreover, for each bond investee country we divide the greenhouse gas emissions in this country by the gross domestic product in EUR million - in this way we compute the intensity of the country's greenhouse gas emissions. In the next step, the share of investments in the bonds of a given country in the value of all investments is multiplied by the intensity of the country's greenhouse gas emissions – in this way we compute the exposure of a financial product to the intensity of greenhouse gas	99.91%

		emissions of this country. In the next step, the exposure to all bond investee countries is summed up - in this way we compute the intensity of greenhouse gas emissions attributable to the financial product. The indicator is expressed in tons of CO <sub>2</sub> per EUR million of the gross domestic product of the bond investee countries. It is comparable for financial products with various underlying assets.	
16. Bond investee countries with a record of breaches in respect of social issues	Bloomberg	The Bloomberg FH Freedom Status reflects the degree of freedom in the country/territory. Countries/territories may be ranked as Free, Partly Free or Not Free. The combination of the general score assigned for political rights and the general score assigned for civil liberties, with the same weight, translates into the Free, Partly Free or Not Free status. A country having a record of breaches in respect of social issues is deemed to have the Not Free status. 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.	99.91%
Optional indicators applicable to investments in treasury bonds and bonds issued transnationally			
17. Share of bonds not issued based on the EU regulations on environmentally sustainable bonds <sup>10</sup>	Bloomberg	Share of bonds not issued based on the EU regulations on environmentally sustainable bonds in the current value of all investments.	100.00%
22. Non-cooperative tax jurisdictions <sup>11</sup>	European Commission <sup>12</sup>	Share of investments in jurisdictions listed in the EU's list of non-cooperative tax jurisdictions in the current value of all investments.	100.00%

### 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.

<sup>10</sup> Table 2 - Additional climate-related indicators and other environmental indicators

<sup>11</sup> Table 3 - Additional indicators in respect of social and employee issues, respect for human rights and combating corruption and bribery

<sup>12</sup> The EU's list of non-cooperative tax jurisdictions: <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>



**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.