

Annual Report **2025**

Management Board’s report on the activity of the PZU Group and PZU SA
for the year ended 31 December 2025

pzu.pl



INSURANCE | HEALTH | INVESTMENT | BANKING

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Letter from the President to Shareholders



Dear Sir/Madam,

The year 2025 was a period of intensive work, bold decisions, and significant transformation for the largest insurance and banking group in Central and Eastern Europe. Amid rising technological pressures, increasing competition, tightening regulatory requirements, and growing customer expectations, we demonstrated resilience, agility, and strong execution capabilities. At the same time, we delivered record financial results.

Since the moment I joined the Management Board, we have placed particular emphasis on prioritizing initiatives, establishing clear lines of accountability, and operationalizing our strategy to fully leverage the potential of the PZU Group. Clarifying our strategic directions and strengthening managerial accountability have become key pillars underpinning this year's achievements.

The implementation of the PZU Group Strategy for 2025–2027, supported by the efforts of our teams and the strength of our business model, enabled us to stand out not only within the Polish market but also across the European financial sector. Gross written premiums exceeded PLN 30 billion for the first time in the Group's history. Net profit attributable to owners of the parent company increased by 25.4% year-on-year, reaching a record PLN 6.7 billion. Return on equity (ROE) from core operations reached 21% (an increase of 4.7 p.p.).

These results were driven by the strengthening of our insurance business, the expansion of health services, and synergies across investments and banking. In customer communications, we significantly advanced our digital solutions. The *mojePZU* platform reached 5.8 million active users, becoming a key communication channel. The implementation of the Interactive CRM enabled more precise service personalization, while AI-based tools substantially improved the NEXT Self-Service system—automating claims handling and enabling claim payouts even within a single day. At the same time, we launched decisive initiatives to streamline and modernize our technology environment, which included adopting the IT Strategy for 2025–2027 and taking consistent actions to reduce technological debt.

We continued to adapt our product offering to the evolving market environment. We modernized tariffs, optimized claims-handling processes, and expanded cooperation with specialized repair workshops. Strong competitive pressure meant that rebuilding our position in the motor third-party liability segment (OC) remained a key challenge requiring intensified market efforts.

We successfully expanded our distribution capabilities and strengthened partnerships. We extended our bancassurance cooperation to nine banks and introduced new cooperation principles in agency channels. We also launched work on a unified sales platform that will enhance the efficiency of our agency network. At the same time, we maintained strong growth momentum in the health segment—a strategic pillar of the PZU Group. We preserved a network of approximately 130 own medical centers, expanded cooperation with medical groups, and the acquisition of Humana Medica Omeda broadened our diagnostic capabilities. We also continued to enhance digital tools for patients, deepening the integration of health services.

Looking ahead, we also joined the Innovate PL project, opening new investment opportunities for the PZU Group while actively supporting the development of the Polish economy.

The year 2025 was also a time of ensuring safety and building public trust. We continued the "Mistrzu, zwolnij" ("Master, slow down") campaign, emphasizing the importance of safe road behavior. In combating insurance fraud, we implemented advanced analytical tools to improve the detection of irregularities.

As a Management Board, we placed strong emphasis on responsibility and transparency. We concluded collective disputes, strengthening dialogue with employee representatives, which significantly improved cooperation within the organization. At the same time, we streamlined and intensified the settlement process, ensuring its integrity and reliability. We strengthened internal procedures, including rules governing cooperation with advisors and partners, to reinforce trust in our management practices.

In parallel, we carried out extensive preparations for the reorganization of the PZU Group. Due to the scale of the process and required legislative changes, we signed an annex extending the reorganization timeline to 31 December 2027. This work remains one of the key components of our strategic agenda.

We enter 2026 with ambitious plans. We will continue to strengthen our core business, expand technological infrastructure, automate processes, and utilize the potential of artificial intelligence. We place particular emphasis on rebuilding our competitive position in the most demanding market segments and on further strengthening our culture of dialogue and collaboration.

I would like to thank all PZU Group employees for their professionalism and commitment, our customers for their trust, and our shareholders and business partners for their constructive cooperation. Together, we are building a PZU Group that combines tradition, responsibility, and innovation.

Best regards,

/-/ Bogdan Benczak
President of the Management Board of PZU

Letter from the Chairman of the Supervisory Board



Dear Sir/Madam,

The year 2025 confirmed that the PZU Group is an organization that is not only stable but also dynamic and effective in its operational performance. These qualities proved particularly important in a market environment that was often volatile and demanding.

Consistent implementation of our capital and dividend policy in 2025 enabled us to distribute a dividend of PLN 4.47 per share. This decision reflected the solid financial position of the PZU Group and its ability to generate sustainable capital surpluses while fully adhering to prudential principles and the expectations of the regulator.

The strategic initiatives we executed in 2025 delivered tangible outcomes. We enhanced our insurance operating model, modernized our product offer, and strengthened our health business. As a result, insurance revenues reached a record PLN 30.9 billion. At the same time, we maintained key profitability indicators at robust levels. The combined ratio in non-life insurance in Poland improved to 86.2% (a year-on-year improvement of 6.3 p.p.), while the life insurance margin reached 27.4% (an increase of 0.4 p.p. year-on-year).

In 2025, we accelerated the integration of digital solutions, process automation, and the development of AI-based tools. We assessed over 1,000 ideas and startups and launched 12 new innovative pilots. Of the 13 pilots completed, as many as 7 moved into the implementation phase. The newly adopted IT Strategy set the direction for modernizing the systems architecture and reducing technological debt. Simplifying IT environments, shortening time to market, and creating the foundations for AI-driven solutions constitute key elements of our technological transformation. In the coming years, these actions will contribute to further enhancing operational agility and customer service quality.

The PZU Group is well-prepared to continue implementing its strategy. It consistently demonstrates strong financial and organizational foundations, as well as the resources needed to effectively address future challenges. The initiatives carried out in the area of digitalization are yielding increasingly measurable benefits. The estimated cumulative return on investment achieved from completed projects and initiatives that extensively leverage data and analytics now exceeds 10%.

I would like to extend my sincere gratitude to all PZU Group employees for their dedication, and to our shareholders and customers for the trust they place in PZU SA and all companies within the Group. I would also like to thank the Management Board for their cooperation and professional approach to the execution of their responsibilities.

Best regards,

/-/ Marcin Kubicza
Chairman of the Supervisory Board of PZU

PZU Group

#1

the largest insurance and banking group in Central and Eastern Europe[1]

22 million

clients

99%

the most recognizable brand in Poland[2]

A-/positive[3]

a stable business model based on strong foundations

PLN 57.6 billion

stock market capitalization[4]

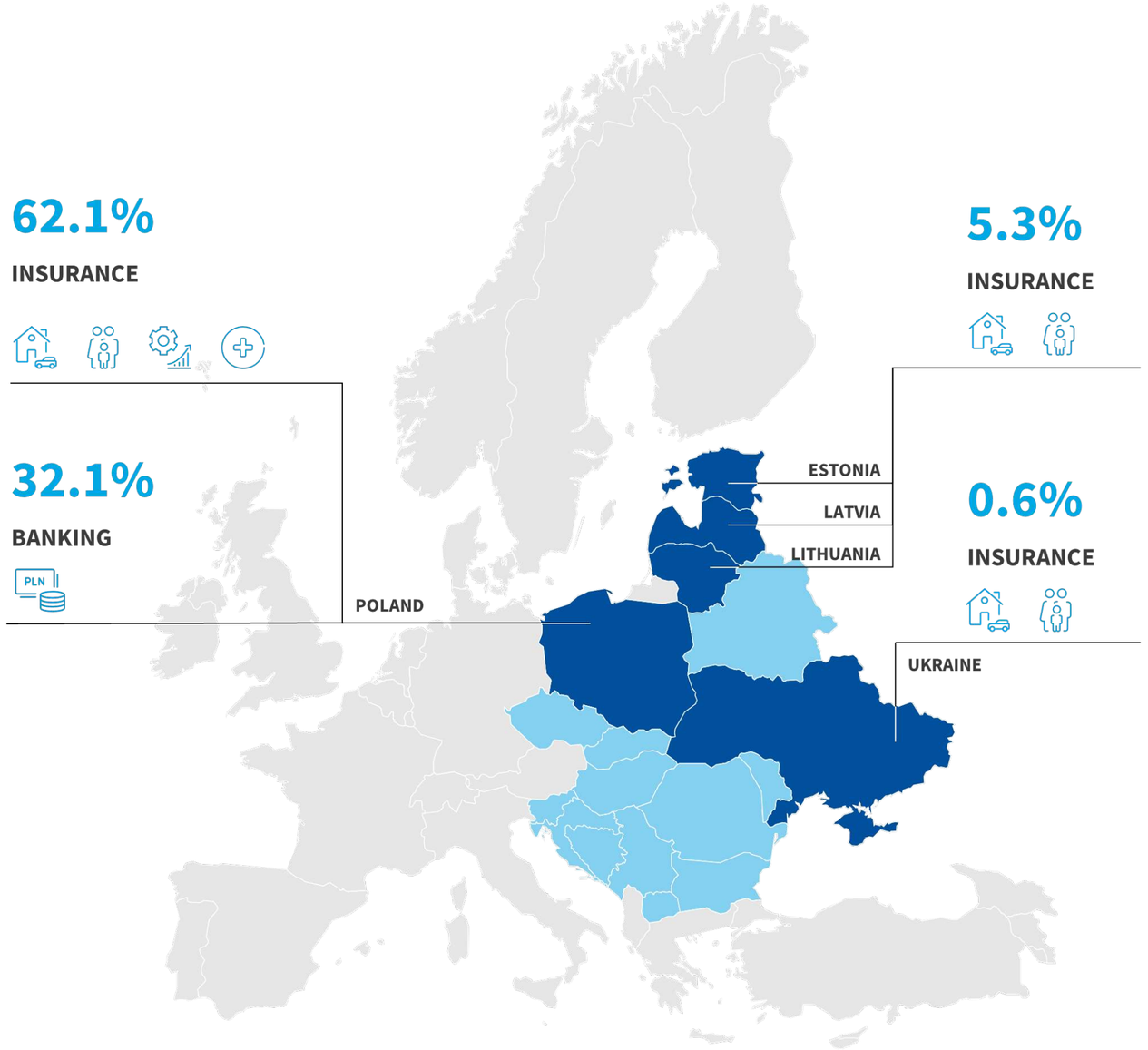
strong balance sheet

solvency II above average for insurance groups in Europe[5]

1) By assets
2) Continuous brand monitoring, CAWI, nat-rep 18-65, data for January–December 2025; percentage of respondents in the target group declaring familiarity with the brand by indicating it in a list of different brands
3) S&P rating confirmed on 23 May 2025
4) At the end of 2025
5) PZU's own compilation, based on reports from European insurers and reinsurers, data after Q3 2025

PZU Group

Percentage share of operating profit (adjusted for PZU's holdings in banks in 2025)



KEY:

- Non-life insurance
- Life insurance
- Market position in terms of assets under management
- Market position in terms of assets
- Market position in terms of medical revenues

PZU Group

Market position of the major PZU Group companies

POLAND

PZU, LINK4, PZUW	#1
Bank Pekao	#2
ALIOR BANK	#8
TFI PZU	#2
OFE PZU	#3
Pekao TFI	#4
PZU ZDROWIE	#3

LITHUANIA

LIETUVOS DRAUDIMAS	#1
	#6

LATVIA

BALTA	#1

ESTONIA

PZU	#3

UKRAINE

PZU	#11
	#4



KEY:

- Non-life insurance
- Life insurance
- Market position in terms of assets under management
- Market position in terms of assets
- Market position in terms of medical revenues

Summary of 2025 results

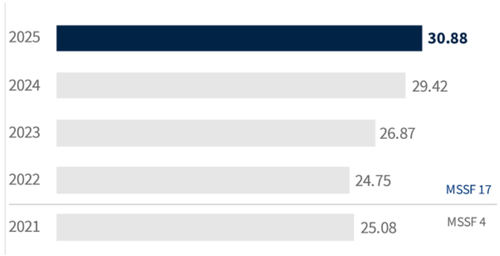
The financial results the PZU Group has been enjoying place it among the most profitable financial institutions in Poland.

In 2025, the return on equity on core business[1] was 21.0%. Net profit attributable to the equity holders of the parent company increased to PLN 6.7 billion, up PLN 1.4 billion from last year. The Group also recorded an increase in gross insurance revenues to PLN 30.9 billion, up by PLN 1.5 billion y/y.

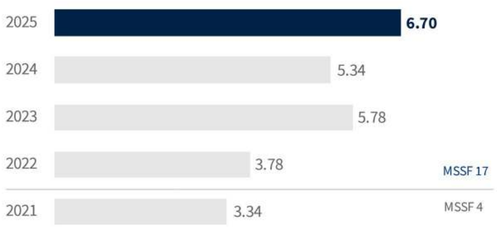
The dynamic growth is accompanied by continued a high level of capital strength. As of the end of Q3 2025, the solvency ratio (capital requirement calculated using the standard formula) was 234%[2].

	2025	Increase	2027 target
ROE core business[1]	**21.0%**	**+ 4.7 pp.** vs. 2024	>19%
EPS core business[1]	**PLN 5.23**	**+ 39.5 %** vs. 2024	>PLN 5.1
DPS	**PLN 4.47**	**+ 3.0%** vs. 2024	≥PLN 4.5

Gross insurance revenue (PLN billion)



PZU's net profit attributable to the parent company's owners (PLN billion)



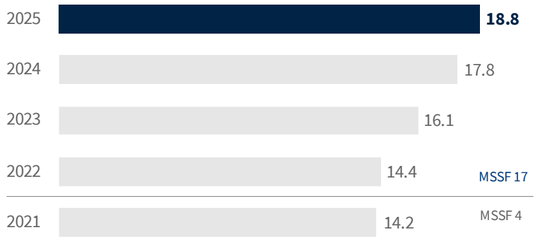
1) Core business excluding banks
2) Preliminary figures, not subject to audit or inspection by statutory auditor

Summary of 2021-2025 results

INSURANCE

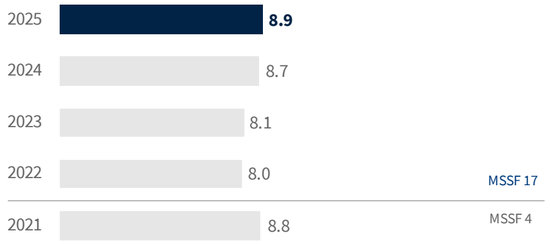
Non-life insurance in Poland

Insurance revenue for 2022–2025 / Gross written premium for 2021 (PLN billion)



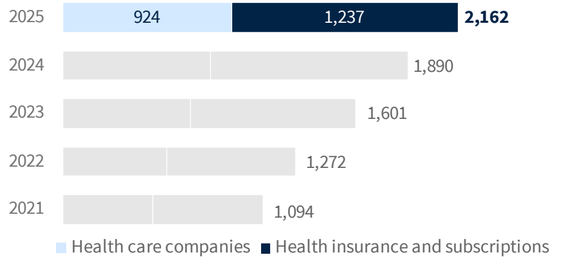
Life insurance in Poland

Insurance revenue for 2022–2025 / Gross written premium for 2021 (PLN billion)

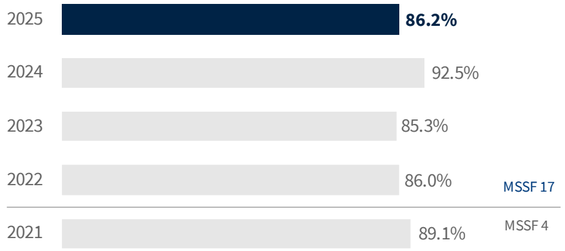


HEALTH

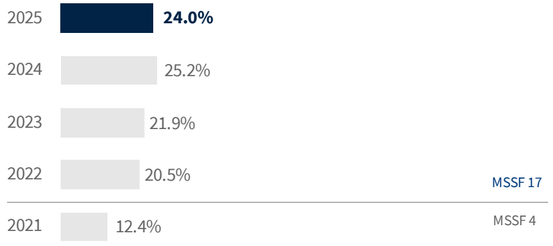
Health Pillar Revenue (PLN million)



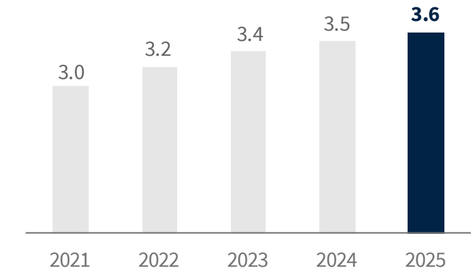
Combined Ratio (COR) (%)



Margin in group and individually continued insurance (%)



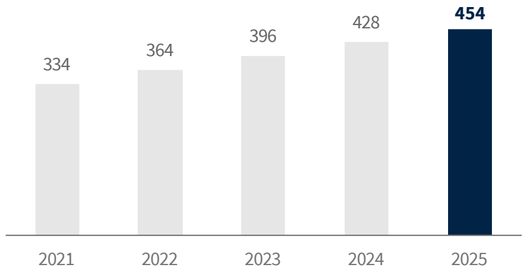
Number of Health pillar contracts (million)



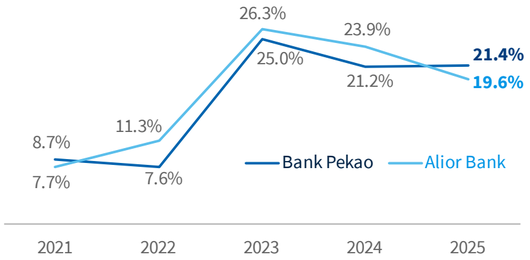
Summary of 2021 - 2025 results

BANKING

Banking assets in PZU Group (PLN billion)

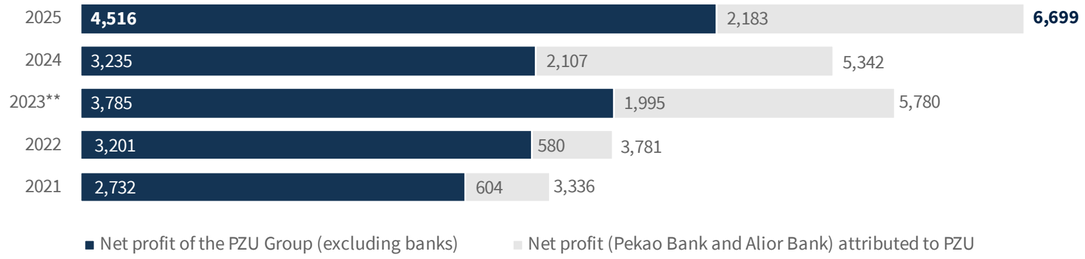


ROE (return on equity) of banks* (%)



*) based on reports and presentations of Bank Pekao and Alior Bank

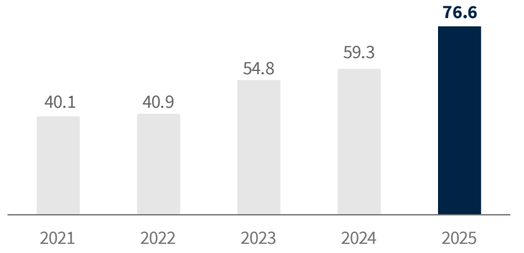
Contribution of banking activities to net profit attributable to the equity holders of the parent company* (PLN million)



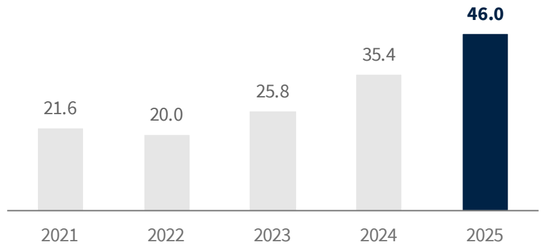
*) excluding consolidation eliminations
**) restated data

INVESTMENTS

Assets of external clients of TFI PZU and PTE PZU (PLN billion)



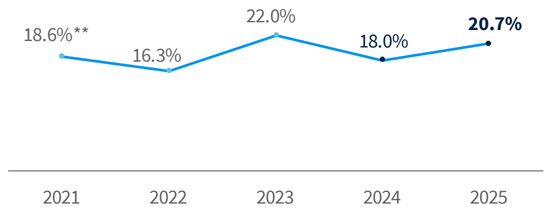
Assets of clients of TFI Pekao and TFI Alior (PLN billion)



Summary of 2021 - 2025 results

SELECTED INDICATORS

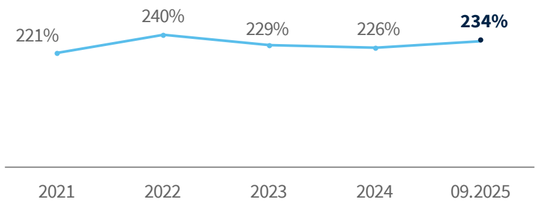
aROE (return on equity)* (%)



*) aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses; aROE attributable to equity holders of the parent company

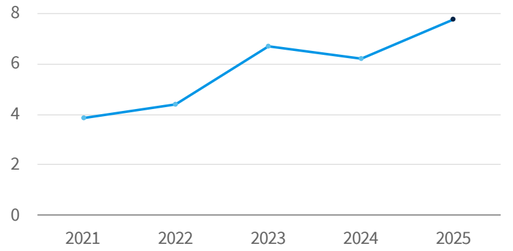
**) ROE – return on equity attributable to equity holders of the parent company

Solvency II* (%)

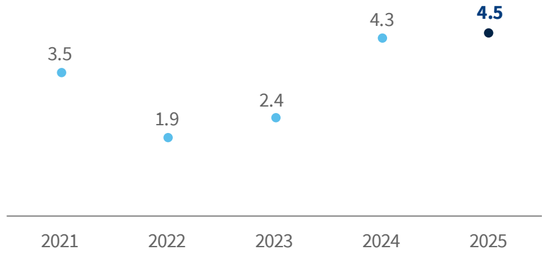


*) Data for the PZU Group for Q3 2025 are not subject to audit or statutory auditor review.

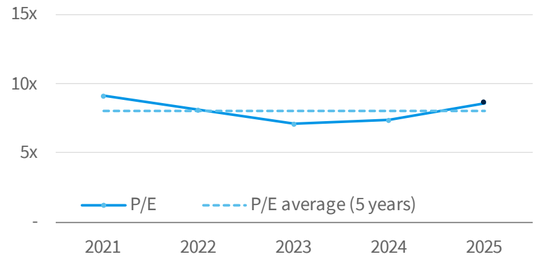
EPS (earnings per share) (PLN)



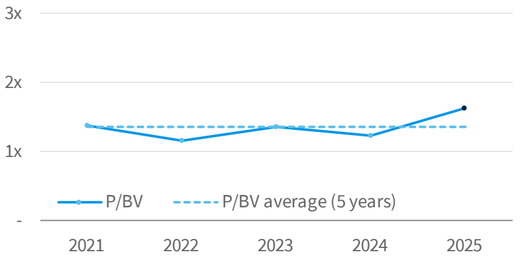
DPS (dividend per share) (PLN)



P/E (price to earnings per share)



P/BV (price to book value per share)



Some of the indexes shown in the graphs are Alternative Performance Measures (APM) within the meaning of European Securities and Markets Authority Guidelines (ESMA) no. 2015/1415. For definitions, basis of calculation and explanation of application, see Chapter: Alternative Performance Measures.

Consolidated data of PZU Group

Basic consolidated data of the PZU Capital Group for 2022–2025 under IFRS 17 (in PLN million)

	2022[1]	2023[2]	2024	2025
A) PZU Group excluding Alior Bank and Bank Pekao				
Gross insurance revenue	24,745	26,868	29,423	30,882
Net insurance revenue	23,619	25,354	27,541	28,851
Insurance service expenses (net)	(19,956)	(21,335)	(24,026)	(24,050)
Net insurance claims and benefit[3]	(13,971)	(14,646)	(16,698)	(16,631)
Administrative expenses	(2,003)	(2,317)	(2,472)	(2,562)
Amortization of insurance acquisition cash flows	(3,963)	(4,416)	(4,782)	(4,981)
Amortization of the loss component	1,037	1,007	1,132	965
Recognition of the loss component	(1,056)	(963)	(1,206)	(841)
Insurance service result	3,663	4,019	3,515	4,801
Net financial income[3]	881	1,168	1,166	1,205
Finance income and expenses from insurance and reinsurance	(378)	(1,748)	(1,425)	(2,043)
Result from investment activities – allocated to insurance segments	1,259	2,916	2,591	3,248
Net profit attributable to the equity holders of the parent company	**3,201**	**3,785**	**3,235**	**4,516**
B) Banks: Alior Bank and Bank Pekao				
Net profit attributable to the equity holders of the parent company	580	1,995	2,107	2,183
(A+B) Net profit attributable to the equity holders of the parent company	**3,781**	**5,780**	**5,342**	**6,699**

1) restated data – restatement of comparative data resulting from the application of IFRS 17
2) restated data
3) excluding the investment component with the development of the claim reserves from previous years
4) financial income and expenses from insurance and reinsurance, as well as investment result allocated to insurance business segments

In 2022–2025,[3] the PZU Group strengthened its position as one of the most dynamic and comprehensively developed financial conglomerates. The scale of growth is confirmed by key indicators: insurance service revenue grew at an average annual rate of **7.7%**, and the result attributable to equity holders of the parent company grew by as much as **21.0%**. This is the result not only of high operational efficiency, but also of the Group's diversified business structure.

In 2025, the PZU Group's result attributable to equity holders of the parent company, excluding banks, exceeded **PLN 4.5 billion**, an average annual growth rate of **12.2%**. The excellent health of the core insurance business demonstrates PZU's high resilience to the volatility of the macroeconomic, climate and demographic environment. In 2025, the insurance service result alone reached **PLN 4,801 million**, growing at an average annual rate of **9.4%** from 2022.

All insurance segments reported results above 2022 levels. High-potential segments contributed particularly strongly to the growth:

- **corporate non-life insurance** – average annual growth of **+31.3%**,
- **the Baltic Countries** – average annual growth of **+22.1%**.

The steadily growing banking activities result – which reached **PLN 2,183 million** in 2025 – remains an important part of the Group's result. At the same time, its share of net profit attributable to the equity holders of the parent company decreased to **32.6%** (from **39.4%** in 2024), reflecting the PZU Group's focus on its core insurance business.

Record financial results and a strong capital position have enabled the PZU Group to pay a total dividend of **PLN 11.4 billion** (in 2022–2025), confirming its ability to generate high recurring shareholder value.

5) The 4-year comparative period is due to the transition to IFRS 17 in 2023, no previous comparative data available

Ratings

Credit rating and financial strength rating

A–

POSITIVE

On 23 May 2025, S&P Global Ratings reaffirmed PZU's rating at A- with a positive outlook.

PZU's rating was last revised on 28 May 2024. The agency's analysts raised the rating outlook from stable to positive. In justifying the change in outlook, the agency recognized the PZU Group for its proven track record in implementing its strategy, including the ambitious goals set for its insurance and banking businesses. S&P noted in a recent report that it expects PZU Group to continue to outperform its competitors, generating annual profits of PLN 3.6–5.5 billion between 2024 and 2026, translating into a return on capital in the 13–17% range. The S&P report also highlighted the PZU Group's strong capital position, despite regular payments of relatively high dividends. Analysts are expecting that PZU Group will maintain significant capital buffers under the S&P model in 2024–2026, despite capital market volatility affecting equity levels.

On 2 June 2025, S&P said that the announced memorandum on the reorganization of PZU Group and Pekao does not currently affect the ratings of these entities. PZU's financial strength rating, according to the agency's analysts, remains unchanged at this stage. However, given the scope of the potential transaction, the agency will monitor in particular its impact on PZU's role in the holding company and capital structure in relation to PZU's status as a government-related entity under the agency's methodology, as well as PZU's ability to pass a hypothetical stress test.

S&P Global

ESG ratings

ESG ratings reflect an assessment of companies' sustainability in terms of their environmental, social and governance practices. They serve investors and stakeholders to pinpoint potential risks and opportunities, and help PZU better identify areas for improvement. The following table shows how selected rating agencies rated our management of ESG issues.

MSCI



In 2025, PZU was rated A by MSCI ESG Ratings, recording an increase from a BBB score. MSCI ESG Research provides ESG Ratings on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.[6]

FTSE Russel



PZU is a constituent of FTSE4Good Index Series, created by the global index provider FTSE Russell, to measure the performance of companies demonstrating strong ESG practices. In 2025, the score remained at 3.8 (on a scale of 0 to 5, with 5 being the highest rating). In the insurance sector, the result is in the 56th percentile.

S&P Global



In 2025, PZU had the S&P Global ESG Score of 46/100 and the S&P Global CSA Score of 44/100, achieving an upward trend from last year's score. In the insurance sector, PZU ranked in the 71st percentile.

CDP



PZU was rated C for climate change disclosure based on data disclosed in the 2025 CDP questionnaire. CDP uses a scale from A (highest) to D- (lowest), reflecting the level of ambition, goal-setting and actions taken.

6) The use by PZU of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of PZU by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Calendar of the most important events in 2025

JANUARY

- 10 February – **PZU Extraordinary General Meeting** | appointment of new members of the Supervisory Board

FEBRUARY

- 27 February – Appointment of Andrzej Klesyk as President of PZU

MARCH

- 27 March – 2024 **Annual Report**

MAY

- 15 May – **Quarterly Report** for Q1 2025
- 23 May 23 – S&P Global Ratings affirmed PZU's rating at A- with a **positive outlook**

JUNE

- 2 June 2 – conclusion of the **Memorandum of Cooperation** between PZU Group and Pekao on capital reorganization
- 25 June – PZU Ordinary Shareholder Meeting

AUGUST

- 7 August – Assignment of President of PZU duties to Tomasz Tarkowski
- 28 August – **Half-Yearly Report** for H1 2025

SEPTEMBER

- 24 September – Appointment of Bogdan Benczak as President of PZU
- 25 September – Record date for **dividend rights**

OCTOBER

- 16 October – **Disbursement of dividends** | PLN 4.47 per share

NOVEMBER

- 20 November – **Quarterly Report** for Q3 2025

DECEMBER

- 19 December – **conclusion of an Annex to the Term Sheet** of 6 June 2025 extending the date for completion of the Potential Transaction for the reorganization of the PZU Group and Pekao until 31 December 2027
- 22 December – KNF's approval of the appointment of Bogdan Benczak as President of the Management Board of PZU
- 23 December – **PZU Extraordinary General Meeting** | appointment of a new member of the Supervisory Board

1. About PZU Group

1.1. Group characteristics
1.2. Participation in associations and industry organizations
1.3. Selected awards and distinctions



1.1. Group characteristics

For more than 220 years, PZU has been growing its business, gaining experience and using its potential to protect what is most valuable – the life and well-being of its clients, their families, assets and companies. Every day, the Group develops to grow be able to provide the most personalized, comprehensive and flexible offer to its clients. The priority for the PZU Group and the measure of its success is to generate benefits for its shareholders and clients in a sustainable and responsible manner.

1.1.1. Products and services

The Powszechny Zakład Ubezpieczeń Group is the largest financial group in Poland and Central and Eastern Europe. PZU heads up the group with its traditions dating back to 1803 when the first insurance company was established on Polish soil. PZU is a public company. The stock of PZU has been listed on the Warsaw Stock Exchange (WSE) since 2010. Since its stock exchange debut PZU has been part of WIG20, an index of the Warsaw Stock Exchange's largest companies. It is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. Since 2019, the shares of PZU have been also part of the WIG ESG (sustainability) index.

The main shareholder of PZU is the State Treasury, holding 34.19% of shares. Other PZU shares are held by investors from all across the world.

The PZU Group's consolidated assets total PLN 535.5 billion. The Group enjoys the trust of 22 million clients, including 15 million insurance clients. It offers products and services to retail clients, small and medium enterprises and big business entities. The primary market for PZU Group in terms of scale and client base is Poland. Nevertheless, the Group's subsidiaries play an important role on the markets in Lithuania, Latvia and Estonia. The PZU Group is also present in the Ukrainian market.

Insurance is the core business of the PZU Group. The Group's companies also offer investment, pension, banking and medical services products. They render assistance services to retail clients and businesses through strategic partnerships. The Group companies' operations are founded on clients' trust. PZU places the client in the center of attention and integrates all areas of activity around them. This allows PZU to offer more and more tailored, flexible and comprehensive products and services, adapted to the needs of the clients at every stage of their private and professional lives, wherever and whenever it is most convenient for them.

Among all insurers operating in Poland PZU offers its clients the largest sales and service network. It includes:

406 branches

4.5 thousand multiagencies

7.5 thousand tied agents and client advisors (PZU SA and PZU Życie)

over **1 thousand** insurance brokers and remote distribution channels, including

PZU sales hotline at 600 600 601

and online platform

mojePZU

In the Baltic Countries where the PZU Group is in the insurance business, its distribution network consists of 571 agents, 13 multiagencies and 379 brokers. PZU also cooperates with 6 banks and 9 strategic partners.

In Ukraine, insurance products are distributed through 147 agents and in collaboration with 16 multiagencies, 38 brokers and 15 banks.

PZU Group works with:

13 banks,

24 strategic partners

in bancassurance and strategic partnerships.

PZU Group clients in Poland have access to the distribution network of Bank Pekao:

473 own branches,

87 partner branches

and that of Alior Bank:

479 branches, including **149** traditional branches, **7** Private Banking branches, **12** Corporate Banking Centers, including **11** Micro Sales Centers and **311** partner branches.

Both banks have professional call centers and mobile and Internet banking platforms.

Key PZU Group business areas



INSURANCE

For many years the PZU Group has provided insurance cover in all of the most important areas of private, public and business life, thereby safeguarding its clients' lives, assets and health.

PZU (non-life insurance, including motor, residential and buildings, agricultural and third-party liability insurance) and PZU Życie (life insurance) are the leaders on Poland's insurance market. Since 2014, after the acquisition of LINK4, the Group has been offering insurance under two brands: the most recognizable, boasting a tradition of over 220 years, the PZU brand, and the much younger LINK4 brand, associated with direct sales channels. In 2015 the third brand, TUW PZUW, or Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych, a mutual insurer, was founded to sell and handle insurance products for companies in various industries, focusing on cooperation with large corporates, medical entities (hospitals and clinics) as well as for church institutions and local government units.

The PZU Group is also the leader in the insurance market in the Baltic Countries (Lithuania, Latvia, Estonia). It also conducts insurance activity in Ukraine.

Poland is the Group's core market, where it generates 90% of its revenue (measured by gross insurance revenue). The insurance activity in the Baltic Countries and in Ukraine generates 10% of its revenue.



INVESTMENTS

The PZU Group is one of the largest asset managers on the Polish market. It is also the market leader in employee pension schemes.

It offers a broad range of investment products: open-ended and closed-ended investment fund and pension products, such as open-ended pension funds, individual retirement accounts (IRA), individual retirement security accounts with the PZU Voluntary Pension Fund, employee pension schemes (EPS), or employee capital schemes (ECS).
TFI PZU also invests the PZU Group's own funds.

The PZU Group has three mutual fund management companies: PZU TFI, Pekao TFI and Alior TFI. It also has Powszechne Towarzystwo Emerytalne PZU managing the PZU Złota Jesień Open-end Pension Fund and the PZU Voluntary Pension Fund.

CLIENT



HEALTH

Striving to satisfy the clients' needs better and more fully the PZU Group intensively grows the health insurance segment along with associated medical care services.

The health business deals with the following activities: (i) sales of health products in the form of insurance and sales of non-insurance products (occupational medicine, medical subscriptions, partnerships and prevention programs), (ii) construction and development of medical infrastructure in Poland to give clients the best accessibility to the health care services rendered.

The PZU Zdrowie network includes nearly 130 of its own and 2,800 medical facilities. Its advantages include quick appointments, respecting referrals for tests from physicians from outside the PZU Zdrowie network, remote medical consultations which make it possible, in addition to obtaining medical advice or discussing test results, to receive a prescription or referral to tests. The offer is supplemented by prevention services.

BANKING

The PZU Group's banking business comprises two groups of companies: Bank Pekao (a member since 2017) and Alior Bank (a member since 2015).

Bank Pekao, established in 1929, is a universal commercial bank offering a full range of banking services provided to individual and institutional clients. It is one of the largest financial institutions in Central and Eastern Europe, and the second largest bank in Poland.

Alior Bank is a universal deposit and credit bank. It was established in 2008 as a start-up. It combines the principles of traditional banking with innovative solutions, thanks to which it systematically strengthens its market position and sets out trends for the development of the Polish banking sector.

Tightening cooperation with banks has opened up enormous growth opportunities for the PZU Group, especially in terms of integrating and focusing its services on clients at every stage of their personal and professional development. Cooperation with the banking segment forms an additional plane for PZU to build lasting client relations. PZU Group's business within its banking model involves bancassurance and assurbanking.



1.1.2. Mission, vision, values

PZU's mission: we help clients care for their future. It would not have been possible to achieve this goal without their trust. It is the foundation of our relationship, because what the client buys from us is the guarantee that they will receive our help in a difficult situation, that they can rely on us.

The publication of PZU Group Strategy for 2025–2027 "PZU. With Confidence into the Future" reinforced the directions for achieving this mission, defining a coherent, multi-year development path based on four key pillars. These include:

- **Simplicity** – simpler Group structure and increased operational efficiency;
- **Focusing on profitable growth of the insurance business** – consistently strengthening the core business area;
- **Growth through investment in the health market and digitization** – building future competitive advantages through innovation and expansion of business areas;
- **Commitment to building Poland's resilience and an inclusive society**– strengthening social security and the well-being of Poles.

The strategy organizes how the organization's mission is implemented, directing the Group's activities to increase value, modernize and respond even more fully to the needs of clients, partners and the socio-economic environment.

Strategic development perspective

PZU consistently strives to strengthen its position as an institution that provides financial, health and social security to millions of people. The Group is developing operating models to create more intuitive services, offer cutting-edge solutions and strengthen system stability. The Group's ambition is to use its potential to respond to the future needs of clients and the national economy, and to build value in a sustainable and responsible manner.

This long-term focus sets the framework for decision-making and drives transformation across the organization: from process modernization, through investments in technology and health, to actions that foster a stronger, more resilient society.

Values

PZU's values form the foundation of the entire Group's operations and define the standards of conduct towards clients, business partners, employees and all other stakeholders. They provide a sustainable reference point for decision-making at every level of the organization and are the basis for building trust – the key capital of a public trust institution like PZU.

These values are common to the entire organization and unchanging regardless of the market environment, trends or strategic cycles. They shape the organizational culture, strengthen the quality of cooperation within the Group, and determine how to achieve the mission and long-term goals.

PZU's values consist of:

- **Stability** – ensuring the financial and operational security necessary to protect clients' interests and the Group's growth.
- **Integrity** – transparency in operations, ethical conduct and reliability in relations with all stakeholders.
- **Innovation** – openness to new solutions, the use of technology and the implementation of innovative business models that respond to changing market
- **Responsibility** – concern for clients, employees and society.

PZU's values provide a stable foundation for the Group's strategic goals and daily operations. Through them, the organization builds long-term relationships, strengthens stakeholder trust and consistently fulfills its mission.

MISSION

We help clients care for their future

We think in terms of future generations

The PZU Group Strategy will strengthen PZU's position as a leader in large-scale risk management and a partner that provides certainty in times of risk.

Strategy for 2025–2027 "PZU. With Confidence into the Future"

Pillars

- Simplicity
- Profitable growth in insurance business
- Development through investment in health and digitization
- Building Poland's resilience and an inclusive society

Values

- Stability
- Integrity
- Innovation
- Responsibility

Stability means conducting business in a safe and trust-based manner. For clients, it is a guarantee of reliability, continuity of protection and confidence that PZU is meeting its commitments over the long term. For employees, stability means a safe working environment, opportunities for growth and clear rules for the organization. Stability is the foundation of confidence in PZU as a strong and reliable financial institution.

Four core values of the PZU Group

- over 220 years of tradition
- Sound capital base, high Solvency II ratio
- Largest financial group in Central and Eastern Europe
- Strong brand



- Artificial intelligence and machine learning
- Continuation of the process of digitalizing insurance, banking, investment and health products and services
- Advanced analytics
- Process optimization

Innovation expresses readiness to continuously develop and seek new solutions to meet changing client needs and market challenges. PZU develops products, services and processes in ways that increase their availability, quality and efficiency. Innovation also means being open to change, using new technologies and supporting initiatives that improve the organization's operations.

Integrity stands for transparency in operations, honoring commitments and communicating transparently with clients and stakeholders. PZU is guided by the principles of reliability, ethics and respect in business relations, ensuring clear rules of cooperation and consistency between declarations and actions. For employees, integrity means operating in an environment based on trust, mutual respect and clearly defined rules.

- We keep our promises
- We observe transparent rules of doing business
- We are fair in our internal and external relations
- We cultivate a culture of ethics and compliance

- We respond to the needs of clients, employees and society
- We manage our environmental impact deliberately and responsibly
- We offer an inspiring place of work

Responsibility means making decisions consciously, taking into account their long-term impact on clients, employees, society and the environment. PZU pursues it through responsible risk management, prevention activities, community involvement and support for education and security. Responsibility also manifests itself in caring for employees and in building relationships based on partnership and mutual trust.

1.1.3. Brand

PZU is the most recognizable brand in Poland. Aided brand awareness is at the level of 99%.[7]

Even though it is mostly associated with insurance, PZU Group's brand architecture also covers a few independent brands. They enjoy different visual systems, target groups, and corporate business models.

PZU Group's brand architecture (the "corporate umbrella" model)

Dominant corporate brand

The dominant corporate brand within the Group is that of PZU. It is used to identify the PZU Group, most of its companies operating on the Polish market (PZU, PZU Życie, PTE PZU, TFI PZU, PZU Pomoc, PZU Zdrowie, PZU Centrum Operacji), as well as some of the international companies – companies in Ukraine and the Lithuanian branch in Estonia and Lithuanian company PZU Lietuva Gyvybes Draudimas (PZU Lithuania Life).

insurance
investments
health

PZU family brands

In the PZU Group's architecture, there is also a group of PZU family brands. This family is formed by companies whose names do not reference the parent company brand, such as AAS BALTA and TUW PZUW. However, their logos look similar to the corporate brand.

insurance

Independent brands

The last level of brand architecture is the independent brands group.

This category includes the brands within the PZU Group whose names and visualization differ from the corporate brand, such as Lietuvos Draudimas and LINK4.

result
financial employee benefits

Independent brands – banking segment

The independent brands that joined the PZU Group in 2015 and 2017 are Alior and Pekao bank brands, respectively.

banks
investments

7) Continuous brand monitoring, CAWI, nat-rep 18-65, data for January-December 2025; percentage of respondents in the target group declaring familiarity with the brand by indicating it in a list of different brands

1.1.4. PZU Group's structure

Structure of the PZU Group as of 31 December 2025

The structure chart takes into account consolidated entities and excludes investment funds and companies in liquidation and bankruptcy and entities consolidated by Bank Pekao and Alior Bank.

PZU
Warsaw – Poland

PZU Zdrowie
Warsaw – Poland
PZU 80.00%
PZU Życie 20.00%

Centrum Medyczne Medica
Płock – Poland
PZU Zdrowie 100.00%

Centrum Medyczne Gamma
Warsaw – Poland
PZU Zdrowie 100.00%

Elvita
Jaworzno – Poland
PZU Zdrowie 100.00%

Tomma Diagnostyka Obrazowa
Poznań – Poland
PZU Zdrowie 100.00%

Boramed Centrum Medyczne
Warsaw – Poland
PZU Zdrowie 100.00%

Humana Medica Omeda
Białystok – Poland
PZU Zdrowie 100.00%

LINK4
Warsaw – Poland
PZU 100.00%

TUW PZUW
Warsaw – Poland
PZU 100.00%

PZU Pomoc
Warsaw – Poland
PZU 100.00%

PZU Centrum Operacji
Warsaw – Poland
PZU 100.00%

PZU Finanse
Warsaw – Poland
PZU 100.00%

PZU LAB
Warsaw – Poland
PZU 100.00%

PZU TECH
Warsaw – Poland
PZU 100.00%

Omicron BIS
Warsaw – Poland
PZU 100.00%

Ipsilon
Warsaw – Poland
PZU 100.00%

PZU Projekt 01
Warsaw – Poland
PZU 100.00%

Ogrodowa-Inwestycje
Warsaw – Poland
PZU 100.00%

Grupa Armatura
Cracow – Poland
PZU 100.00%

Tulare Investments
Warsaw – Poland
PZU 100,00%

PZU Życie
Warsaw – Poland
PZU 100.00%

PTE PZU
Warsaw – Poland
PZU Życie 100.00%

Tower Inwestycje
Warsaw – Poland
PZU 27.4696%
PZU Życie 72.5304%

PZU Ukraine
Kiev – Ukraine
PZU 90.9944%
PZU Ukraina Życie 9.0017%
PZU Życie 0.00397%

PZU Ukraine Life Insurance
Kiev – Ukraine
PZU 53.4723%
PZU Ukraina 46.5224%
PZU Życie 0,0053%

Lietuvos Draudimas
Vilnus – Lithuania
PZU 100.00%

PZU Estonia
Tallinn –Estonia
Lietuvos Draudimas branch

PZU Lietuva gyvybes draudimas
Vilnus – Lithuania
PZU 100.00%

BALTA
Riga – Latvia
PZU 100.00%

PZU Corporate Member
London – England
PZU 100.00%

TFI PZU
Warsaw – Poland
PZU 100.00%

Arm Property
Cracow – Poland
Investment funds managed by TFI PZU 100.00%

Bank Pekao
Warsaw – Poland
PZU 20,0000%
Investment funds managed by TFI PZU 0.0219%

Pekao Financial Services
Warsaw – Poland
Bank Pekao 66.4992%
PZU 33.5008%

Alior Bank
Warsaw – Poland
PZU 31.9071%
Investment funds managed by TFI PZU 0.0246%

re58
Warsaw – Poland
PZU 34.00%

- The following branches operate within **PZU Zdrowie**:
  - CM in Warsaw,
  - CM in Kraków,
  - CM in Poznań,
  - CM in Wrocław,
  - CM in Gdańsk,
  - CM in Kielce,
  - CM in Opole,
  - CM in Radom,
  - CM in Łódź,
  - CM in Częstochowa
  - CM FCM in Warsaw,
  - CM Tarnów,
  - CM Nasze Zdrowie in Warsaw,
  - CM Warszawa Chmielna;
- The **PZU Zdrowie Group** includes: Centrum Medyczne Medica Group, Elvita Group, Tomma Group, Centrum Medyczne Gamma, Boramed Centrum Medyczne and Humana Medica Omeda;
- The **Centrum Medyczne Medica Group** consists of the following companies:
  - Centrum Medyczne Medica sp. z o.o.,
  - Sanatorium Uzdrowiskowe “Krystynka” sp. z o.o. with its registered office in Ciechocinek;
- The **Elvita Group** consists of the following companies:
  - Przedsiębiorstwo Świadczeń Zdrowotnych i Promocji Zdrowia ELVITA – Jaworzno III sp. z o.o.,
  - Przedsiębiorstwo Usług Medycznych PROELMED sp. z o.o., based in Łaziska Górne;
- The **Tomma Group** is composed of the following companies:
  - Tomma Diagnostyka Obrazowa S.A.
  - Bonus-Diagnosta sp. z o.o.;
- The **Alior Bank Group** includes, among others:
  - Alior Bank SA,
  - Alior Services sp. z o.o.,
  - Alior Leasing sp. z o.o. (which has:
    - 100% of shares in Alior Leasing Individual sp. z o.o.,
    - 100% of shares in AL Finance sp. z o.o.),
  - Meritum Services ICB SA,
  - Alior TFI SA,
  - CORSHAM sp. z o.o.,
  - RBL_VC sp. z o.o.,
  - RBL_VC sp. z o.o. - ASI S.K.A.;
- The **Bank Pekao Group** is composed of, among others:
  - Bank Pekao SA,
  - Pekao Bank Hipoteczny SA,
  - Pekao Leasing sp. z o.o. (which owns 100% of PEUF sp. z o.o.),
  - Pekao Investment Banking SA (which has 100% of shares in Pekao Inwestycje Dłużne sp. z o.o.)
  - Pekao Faktoring sp. z o.o.,
  - Centrum Kart SA,
  - Pekao Financial Services sp. z o.o.,
  - Pekao Direct sp. z o.o.,
  - Pekao Investment Management SA (which owns 100% of Pekao TFI SA),
  - Krajowy Integrator Płatności SA (affiliate)
- The Lietuvos Draudimas Group includes:
  - UAB “B10 biurai,”
  - UAB “B10 apartamentai”

Changes in the structure of the PZU Group in 2025 and until the date of publication of the report

- 31 January 2025:
  - PZU SA's involvement in UAB "PZU Lietuva gyvybes draudimas" increased from 99.4% to 100%,
  - Alior Leasing Sp. z o.o. acquired a 10% stake in Alior Leasing Individual from AL Finance sp. z o.o. Since the completion of the transaction, Alior Leasing Sp. z o.o. owns 100% of Alior Leasing Individual sp. z o.o.
- On 8 April 2025, FPB – Media sp. z o.o. in bankruptcy was deleted from the National Court Register;
- On 9 April 2025, the name of PZU CASH SA was changed to PZU TECH SA. The decision in this case was issued by the District Court for the Capital City of Warsaw, XIII Economic Division of the National Court Register, making an entry in the Register of Entrepreneurs of the National Court Register;
- On 15 May 2025, the name of Sigma BIS SA was changed to re58 SA;
- On 4 June 2025, the liquidation of Pekao Fundusz Kapitałowy sp. z o.o. was repealed by a resolution of the Extraordinary Shareholder Meeting. (The resolution took effect on 1 July 2025);
- On 11 June 2025, the name change of RUCH SA to Usługi Logistyczne SA was registered;
- On 27 June 2025, the Ordinary Shareholder Meeting passed a resolution to dissolve Usługi Logistyczne SA and open its liquidation. The company is now operating under the name Usługi Logistyczne SA in liquidation;
- On 24 September 2025, PZU sold its shares in PZU Corporate Member Limited;
- On 28 November 2025, PZU Zdrowie acquired 100% of shares in umana Medica Omeda sp. z o.o.;
- On 15 December 2025, Pekao Inwestycje Dłużne sp. z o.o. was registered.

1.1.5. Fundamental principles of PZU and PZU Group management

PZU's management is based on corporate governance principles stemming from both legal regulations and market standards (Best Practice for GPW Listed Companies 2021, Corporate Governance Rules for Regulated Institutions), along with internal corporate regulations. These principles are designed to ensure transparency in operations, financial stability and stakeholder security, and the effective operation of the Group.

Supervisory and management structure

1. **The Supervisory Board** has ongoing oversight of PZU's day-to-day operations and development, including overseeing sustainability issues. The Board adopts Regulations which define, among other things, the organization and work procedures of the Board.

2. **The Management Board of PZU** manages the Company's affairs and coordinates the Group's operations, acting in accordance with the law, the Articles of Association and internal regulations, including the Regulations of the Management Board of PZU, which define the principles of work and division of powers within the executive body.

3. **The General Meeting of Shareholders** acts on the basis of the provisions of the Commercial Company Code (CCC) and the Articles of Association of PZU, adopting resolutions on, among other things, the approval of reports, profit distribution and changes in corporate bodies.

Organizational structure

The rules of operation of the PZU and the division of competencies of the organizational units are defined in the Organizational Regulations, which form the basis of the Company's internal structure. This structure is comprised of the following levels:

- **Headquarters** – acts as a planning and support center for the Management Board and is responsible for coordinating management within the Company and the entire PZU Group. Among other things, the Headquarters' units deal with: setting business goals, defining and implementing strategies, setting standards of operation, coordinating cooperation between Group entities, building image and corporate culture standards, and coordinating shared services in the PZU Group;

- **specialized units** responsible for, among other things: handling claims and entitlements, assistance, customer service, insurance operations, insurance accounting, employee operations, analysis and reporting;

- **field structure**, including units responsible for sales and customer service, including macroregions, regions, and branches of PZU.

Functionally, the structure consists of divisions. **Divisions** are responsible for carrying out business functions in one or more related areas of the company's operations. They include organizational units operating at all levels – at Headquarters, specialized units and in the field structure – ensuring consistent, functional management of processes throughout the organization.

Business divisions: investments, individual and SME product management, PZU branch network management, exclusive sales, multi-agency sales, dealer programs, corporate sales (including brokerage), management of cooperation with banks and strategic partners, handling of claims and entitlements, and remote channels.

Support divisions: corporate management and governance in the PZU Group, corporate relations and communications, sponsorship, prevention, HR, finance, insurance operations, IT and cyber security, CRM, eCommerce, digital processes and services, customer relationship and customer experience management, administration, real estate and procurement.

Each division is headed by a designated Member of the Management Board, PZU Group Director or Managing Director, who are responsible for setting goals, overseeing their implementation, human resources policy and approving the division's action plans and budget. The divisions are characterized by the co-occurrence of service and functional dependencies, which allows for effective coordination of operational and strategic activities within the assigned areas.

Financial conglomerate

The PZU Group operates as a financial conglomerate, with PZU acting as the leading entity. Cooperation with subsidiaries is based on agreements defining the principles of information exchange, ownership supervision and uniform management standards. **The key is the cooperation of PZU and PZU Życie**, which have similar management models and work together in the areas of strategy, risk, and operational support, among others.

Ownership supervision over subsidiaries

It is the practice in the PZU Group to have PZU and PZU Życie representatives on the supervisory boards of subsidiaries. This ensures uniform management standards and consistency of operations within the Group. The solution supports process integration and oversight of key entities, including Pekao and Alior Bank, PZU TFI, PZU Zdrowie and other operating companies.

Internal systems and functions

The Group has a comprehensive risk management and internal control system in place, including a risk management function, compliance function, internal audit function, underwriting function and mechanisms to ensure compliance with regulations and supervisory standards. This system strengthens the consistency and efficiency of operational and supervisory processes.

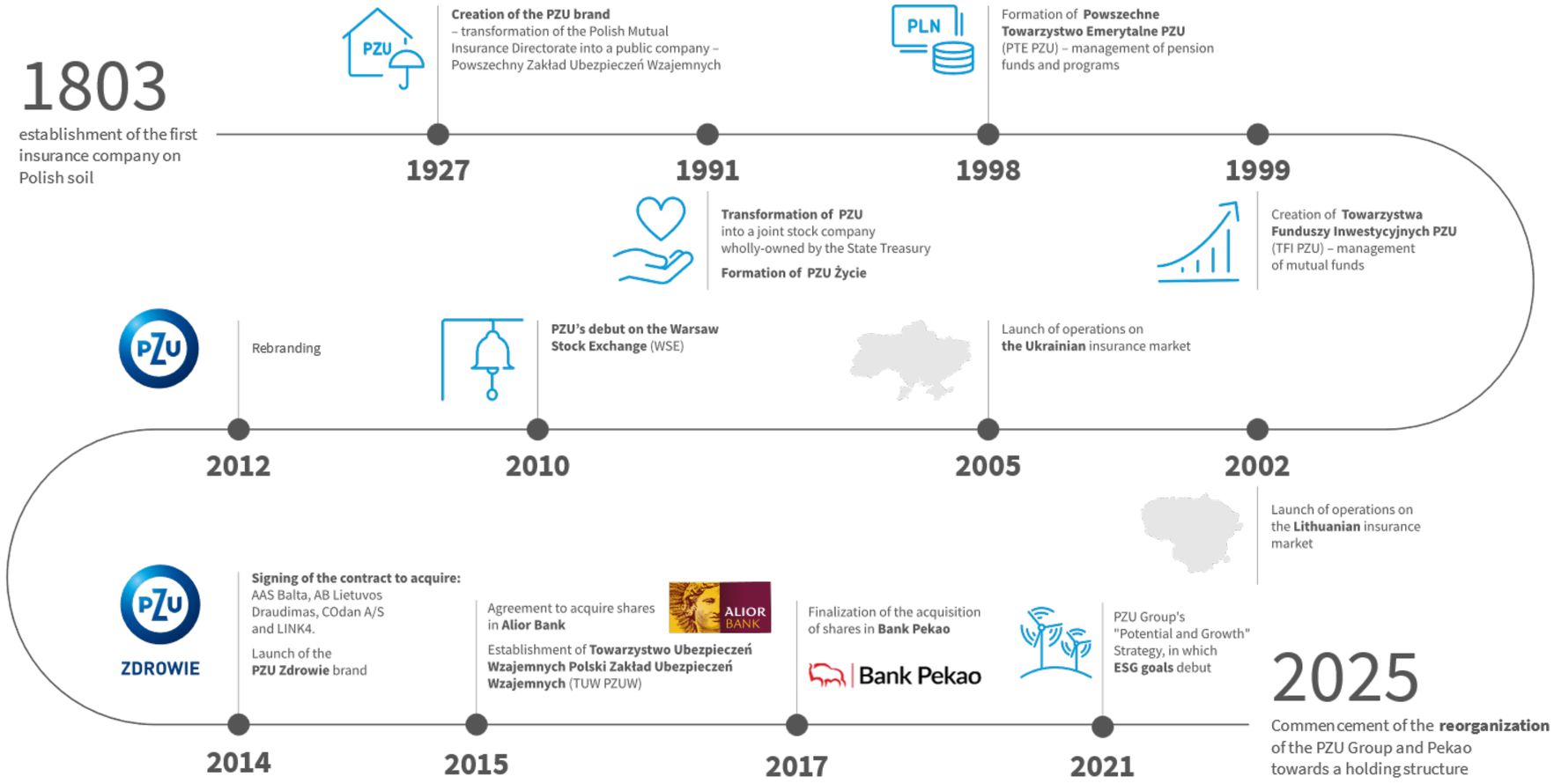
PZU oversees the risk management system at the Group level on the basis of cooperation agreements with its subsidiaries, enabling the acquisition of information necessary to assess and aggregate risks and meet capital requirements. This ensures the application of uniform risk management standards while taking into account applicable regulations.

This model supports the implementation of the PZU Group's strategic goals and ensures that the entire Group operates consistently, efficiently and in compliance with regulations.

In 2025, no changes were made to the existing management principles of PZU or the PZU Group, and the applicable regulations operated unchanged.

1.1.6. Milestones of PZU Group's growth

The PZU Group has been developing on the financial market for more than 220 years



1.2. Participation in associations and industry organizations

The PZU Group is engaged in the activity of numerous organizations and associations. PZU is, in particular, active in the following organizations:

- **Polish Insurance Association (PIU)** – a self-governing organization of insurance undertakings to which all the insurance undertakings operating on the market belong; membership is compulsory;
- **Polish Motor Insurers' Bureau (PBUK)** – an organization of insurance undertakings that do business in Poland, membership in PBUK is compulsory;
- **Insurance Indemnity Fund (IIF)** – its members are domestic and foreign insurance companies that conduct insurance activity on the Polish market in the area of mandatory MTPL insurance and mandatory TPL insurance for farmers, established in 1990;
- **Polish Association of Listed Companies (SEG)** – a self-governing organization of issuers that represents the interests of the companies listed on the Warsaw Stock Exchange. PZU has been a member since 2010.

Membership in the organizations listed above is of a strategic nature to PZU. The company supports the activities laid down in their articles of association and takes part in additional projects run by these institutions.

Description of cooperation with international public institutions

- **EBRD – European Bank for Reconstruction and Development.** PZU Group companies cooperate with the EBRD and the European Investment Fund in financing projects. As part of the issuance of PZU's 10-year subordinated bonds (10NC5) series A with a total face value of PLN 2.25 billion, the EBRD purchased PLN 300 million of securities in 2017;
- **Qorus (formerly EFMA)** – is a non-profit organization aimed at fostering innovation and cooperation among financial institutions around the world. It brings together banks, insurers, as well as technology and service providers. Membership in this organization gives PZU access to a wide network of contacts from various financial institutions around the world, conferences, reports, which enables the exchange of knowledge in the field of innovation in the financial sector including insurance;
- **The Geneva Association** – an international association of insurance companies (think tank), whose members are CEOs of insurance and reinsurance companies. PZU participates in events to identify and analyze key trends and areas of risk that may shape or affect the insurance industry, and has the opportunity to contribute to recommendations for the industry and policymakers.

PZU Group participation in sustainable development initiatives

Achieving the Sustainable Development Goals requires coordinated action by policymakers, the financial sector and other market participants. That is why PZU takes active part in industry initiatives, is engaged in social consultations and issues opinions on draft acts concerning sustainable development. In 2025, PZU continued its activities in external initiatives to support sustainable development:

- **UNEPFI** – since June 2017, PZU has been a signatory to the United Nations Environment Programme Finance Initiative (UNEP Finance Initiative). The global partnership between the United Nations Environment Programme and the financial sector serves the purpose of mobilizing the entire financial system (including the insurance sector) to act towards the achievement of sustainable development goals;
- **UNGC** – since May 2022, PZU has been a member of the United Nations Global Compact – the largest global initiative supporting sustainable business. Another Member of UNGC is Bank Pekao. PZU was involved in the Climate Positive initiative coordinated by the UN Global Compact Network Poland;
- **Partnership for SDGs** – since June 2022, PZU has been the Partner for Sustainable Development Goals, initiated by the Ministry of Economic Development and Technology;
- **Responsible Business Forum** – PZU continued its participation in the Responsible Business Forum's Partnership Programme. The program is a platform for development, knowledge acquisition, and networking and sharing of good practices in the area of sustainable development. 100 sustainable development leader companies in Poland participate in the Programme.

  In 2025, PZU was a partner in the association's 25th anniversary, organizing a thematic workshop on "The Role of Business in Building Social Resilience as an Element of Sustainable Development." PZU is also involved in the **Chapter Zero Poland** initiative coordinated by the Responsible Business Forum. It is the local branch of the international initiative entitled **Climate Governance** established by the World Economic Forum. It was formed to raise awareness concerning the consequences of climate change for the business community and its impact on the climate.

In addition, since 2013 PZU has been a signatory to the **Charter of Diversity**, an international initiative under the auspices of the European Commission. The Charter is a pledge signed by employers who choose to prohibit discrimination in the workplace and work to create and promote diversity, and expresses the company's willingness to involve all employees and business and community partners in these activities;

- **Projects of the Ministry of Climate and Environment** – PZU continues to be involved in implementing the assumptions of the Polish Offshore Wind Sector Deal and Sectoral Agreement for the Development of the Hydrogen Economy in Poland. These projects have been initiated by the Ministry of Climate and Environment. They constitute a platform for inter-sector collaboration for Poland's economic development, enhancing the competitiveness of Polish commercial undertakings and developing initiatives to ensure Poland's economic and energy security based on low and zero emission sources of energy. One Member of PZU Management Board serves as member of the Offshore Wind Coordination Council;
- **Sustainable finance** – the PZU Group systematically takes part in the dialog on sustainable development and finance. A PZU representative chairs the Task Force on Sustainable Finance at the Polish Insurance Association (PIU). PZU also chairs the Natural Disaster Risk Management Team, one of whose tasks is to support the Polish Financial Supervisory Authority (UKNF) in defining climate change stress tests;
- **Sustainable Investment Forum Poland (POLSIF)** – in February 2024, TFI PZU joined the ranks of members of the Sustainable Investment Forum Poland (POLSIF), whose mission is to work for the development of the sustainable investment and finance market in Poland by creating and disseminating best practices in this area. POLSIF is a non-governmental organization founded in 2023 by representatives of leading investment fund companies, banks, private equity funds, industry organizations and chambers, and academia. POLSIF is part of the pan-European organization – The European Sustainable Investment Forum (EUROSIF);
- **Partnership for Carbon Accounting Financials (PCAF)** – in November 2024, PZU joined an initiative that promotes transparency and accountability of the financial sector on greenhouse gas emissions. The PCAF initiative was established in 2015 by global financial institutions. As a result of this partnership, a common standard for counting the carbon footprint has been developed and tools have been implemented to assess the amount of greenhouse gas emissions associated with insurance, investments and credit.

Furthermore, the PZU Group is monitoring the activities of financial institutions and international organizations, i.e., the United Nations (UN), Organization for Economic Cooperation and Development (OECD) and the European Commission.

1.3. Selected awards and distinctions

INSURANCE

PZU:
"Best Insurer in Poland",
in the 10th edition of the competition "Institution of the Year"

HR and others

PZU:
winner in the Digital Excellence Awards 2025 competition, organized by CIONET Poland, in the Operational Efficiency category, for the project Mobile Agent PZU 2.0 (Mobilny Agent PZU 2.0, a cross-platform application supporting the work of agents and employees)

PZU:
recognition in the Employer Branding Excellence Awards 2025 in the Key Visual category for the "Matching perfectly" campaign

PZU:
winner in the competition Friendly Workplace® 2025

PZU:
HR Quality Award Certificate awarded as part of HR Quality Certification – by the Association of HR Practitioners

INVESTMENTS

PTE PZU:
honorable mention for OFE "Złota Jesień" in the "Stewardship and Engagement" category on the list of highly commended funds in the IPE Conference & Awards 2025

INVESTMENTS

TFI PZU:
Second place in the annual ranking of investment fund companies prepared by the editors of the "Rzeczpospolita" newspaper

TFI PZU:
two "Alpha" 2024 awards granted by Analizy Online: (for the third time in four years) for PZU Sejf+ Fund in the "Polish treasury securities" category for generating above-average returns in relation to the risk incurred, and for PZU Zrównoważony Fund in the "mixed Polish balanced funds" category

TFI PZU:
"Golden Portfolio" from the Parkiet daily for the inPZU IT Sector Shares fund in the "foreign shares fund" category

TFI PZU:
Invest Cuffs award for the best investment fund company in Poland in 2024

IR

PZU:
Investor Relations Awards in Poland:
1st place – Tomasz Kulik – Best CFO
1st place – Magdalena Komaracka – Best IR Professional
1st place – PZU – Best IR Team
Award in EMEA:
3rd place – PZU Best Management Board among large financial companies in the EMEA region

PZU:
two awards in The Best Annual Report 2024: a special award "The Best of the Best" (for the seventh time) and an award for the best report on operations

BANKING

Bank Pekao:
1st place overall in the area of trade finance services, as well as the winning of the technology sub-category of the “Best Trade Finance Survey” ranking prepared by Euromoney magazine (fourth consecutive year among the winners)

Bank Pekao:
five awards given as part of the “Golden Banker 2025” ranking, organized by Bankier.pl and Puls Biznesu – in product categories: 1st place in the Mortgage Loan category, 2nd place in the Personal Account and Child Account categories, and 3rd place in the Premium Account category; along with 3rd place for its social media communications in the Social Media category

Bank Pekao:
awards in eight categories and winning the title of Best Bank in Poland for the first time ever in the “Institution of the Year” ranking

Bank Pekao:
Best Sub-Custodian Bank distinction according to Global Finance magazine
(honorable mention for the thirteenth time)

Bank Pekao:
the best in Poland in terms of sustainable financing according to Global Finance magazine



Bank Pekao:
award for Pekao Brokerage House in the category of Highest share of local market maker in trading on the Main Market in 2024, awarded as part of the Summary of the Stock Exchange Year 2024, organized by the WSE

BANKING



Alior Bank:
four awards in the “Invest Cuffs 2025” competition – two awards with “Silver Laurels”: for Alior Bank’s Brokerage House and Foreign Exchange; and 2nd place for Alior Bank in categories: Brokerage House 2024 and Online Foreign Exchange 2024

Alior Bank:
four prizes awarded in the “Golden Banker 2025” ranking, organized by Bankier.pl and Puls Biznesu – 2nd place in two product categories: Mortgage Loan and Cash Loan, 3rd place in the Hotline Service category; and 5th place in the main category, evaluating the quality of service across all channels.

Alior Bank:
awards in six categories and the winning of the title of Best Banking Establishment in Poland in the “Institution of the Year” competition by 25 of the bank’s branches

Alior Bank:
2nd place among the most effective banks in Poland in the ranking “Stars of Banking” prepared by Dziennik Gazeta Prawna and Boston Consulting Group

Alior Bank:
Golden Grand Prix (the highest award) for the best quality of service and seven awards in individual categories in the Polish Contact Center Awards competition

Alior Bank:
3rd place in the ranking of banks supporting the development sector prepared by the Polish Association of Developing Companies

2. Business model

2.1. Capital and value creation
2.2. Value chain
2.3. Supply chain
2.4. Operating activities
2.5. Sales and distribution



2.1. Capital and value creation

[IIRC]

The insurance and financial businesses of the PZU Group are the foundation of Poland's social and economic security. The business activities undertaken affect the surroundings, the environment and the quality of life. That is why the PZU Group pays very close attention to developing in a sustainable manner, taking into account the current needs of stakeholders and caring for the future of the next generations.

The PZU Group is gradually introducing the concept of sustainable development into more areas of its business. This allows them to gradually improve their business efficiency, the quality of the relationships they build, or better match the needs of their stakeholders. In the long term, this translates into an increase in the potential to build value and greater resilience of the entire organization to the impact of negative external factors.

The management aspects are described based on the International Integrated Reporting Council's "IIRC" guidelines.[8] At this point, we present crucial issues of value creation over time with the use of available capital, i.e. the resources that the organization can access and use to create value.

2.1.1. Financial capital

This category includes financial resources held by the PZU Group, obtained from external sources (clients, shareholders, bondholders) and internal sources (profits generated on the Group's business operations).

Financial capital (PLN)	2024	2025
Assets	503.3 bn	535.5 bn
Equity	65.3 bn	72.7 bn
Subordinated bonds	5.1 bn	8.0 bn

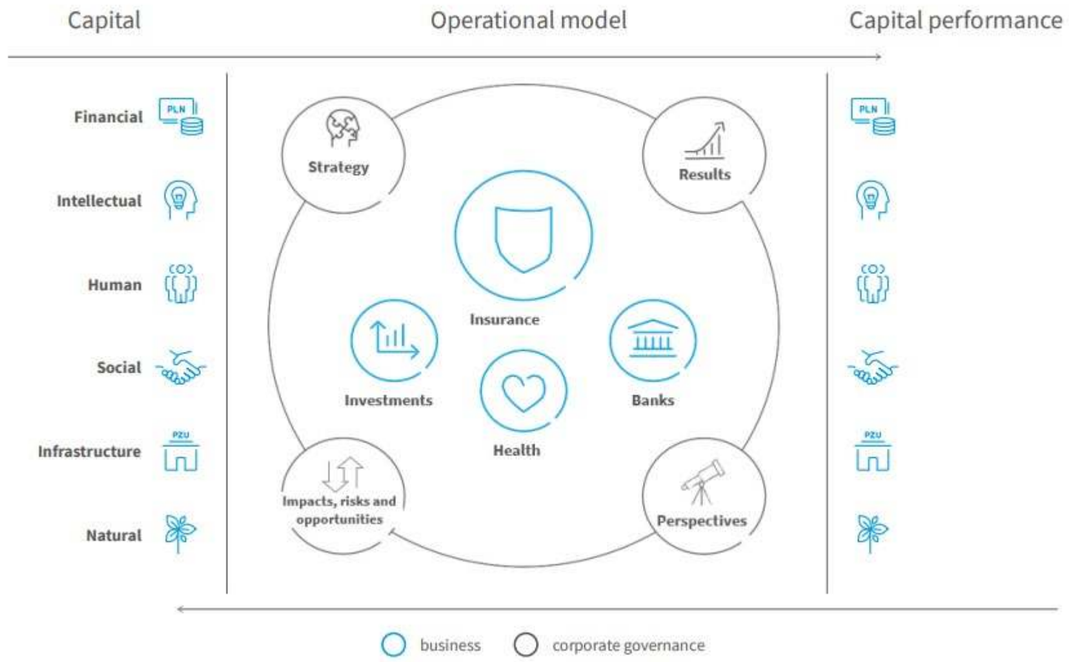
Financial capital – results (PLN)	2024	2025
Insurance revenue	29.4 bn	30.9 bn
Investment income	28.2 bn	29.4 bn
Net profit for shareholders of PZU parent company	5.3 bn	6.7 bn

Performance **management** pertaining to this type of capital includes in particular activities related to:

- maintaining financial security and stability;
- ensuring funds for the development and pursuit of the strategy;
- operational and cost effectiveness.

Example of **impact** on other capitals:

- intellectual (innovation dynamics);
- human (salaries-costs);
- social and relationship (the scale of support for local projects);
- infrastructural (number of branches);
- natural (green investments, taxonomy, emissions offsets).



8) https://www.integratedreporting.org/

Capital management

On 2 December 2024, the PZU Management Board adopted the Capital and Dividend Policy for 2025–2027. In keeping with the Policy, PZU Group endeavors to:

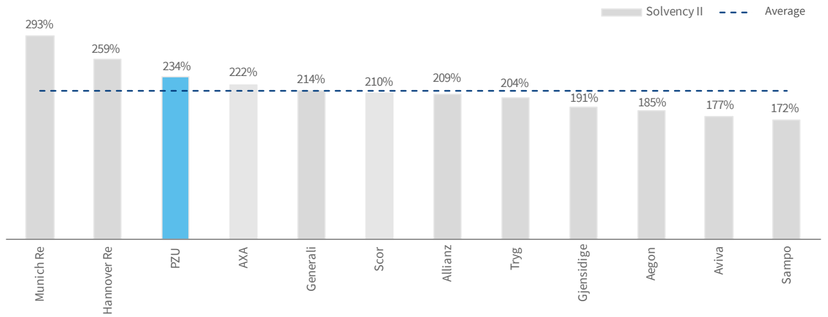
- manage capital effectively by optimizing the usage of capital from the Group's perspective;
- maximize the rate of return on equity for the parent company's shareholders, in particular, by maintaining the level of security and retaining capital resources for strategic growth objectives through the organic growth and acquisitions;
- ensure sufficient financial means to cover the Group's liabilities to its clients.

The capital management policy rests on the following principles:

- manage the PZU Group's capital (including excess capital) at the level of PZU;
- maintain target solvency ratios of 200% for the PZU Group, 200% for PZU and 200% for PZU Życie (according to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, hereinafter referred to as the "Solvency II Directive") in the period until the date of entry into force of the amendments to the Solvency II Directive and at the level of 180% for the PZU Group, 200% for PZU and 200% for PZU Życie in the period after the entry into force of the amendments to the Solvency II Directive;
- maintain the PZU Group's financial leverage ratio at a level no higher than 25%;
- ensure funds for growth and acquisitions;
- maintain the financial conglomerate's surplus own funds above the pertinent requirements for solvency;
- PZU will not issue any new shares for the duration of this Policy;
- it is assumed that certain temporary deviations in the actual solvency ratio above or below the target level may occasionally occur.

As at the end of Q3 2025, the solvency ratio (capital requirement calculated according to the standard formula) was **234%**, and remained above the third quartile of the average solvency ratio reported by insurance groups in Europe.

The Solvency II ratio for the PZU Group compared to European insurers



Source and data: data as of Q3 2025; PZU unaudited data.

Solvency ratio	2024	Q3 2025*
SCR		
PZU Group	226%	234%
PZU	240%	245%
PZU Życie	337%	364%
MCR		
PZU Group	376%	387%
PZU	910%	941%
PZU Życie	748%	809%

CRR	2024	2025
Pekao Group – total capital ratio	16.1%	16.4%
Tier 1 capital ratio	14.9%	15.0%
Alior Bank Group – total capital ratio	18.3%	17.6%
Tier 1 capital ratio	18.3%	17.6%

Commentary on ratios in banks:

at Bank Pekao and Alior Bank, the total capital ratio and the Tier 1 capital ratio were computed on the basis of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR).

2.1.2. Non-financial capitals

Information on the PZU Group's key intangible resources and an explanation of how PZU's business model depends on these key intangible resources and how these resources are a source of value creation for PZU.

The PZU Group's business model relies heavily on intangible resources, which provide the basis for its competitive advantage, contribute to its operational efficiency and determine the Group's ability to build value for stakeholders over the long term.

The PZU Group's intangible resources – including employee competence, brand and know-how, relationships with customers and partners, as well as vast databases and advanced technology systems – are an integral part of the PZU Group's business model. Their quality and level of development determines the Group's ability to sell effectively, manage risk, provide high-quality services and execute its strategy covering the areas of insurance, health, investment and banking.

All of these resources have a direct bearing on long-term value creation for shareholders, customers and other stakeholders, as well as the maintenance of the PZU Group's position as the leading insurance and financial group in the region.

The key intangible resources on which PZU's business model depends, together with the way in which these are a source of value creation for the PZU Group, are grouped and presented under the capitals as per IIRC methodology.

PZU Group's key intangible resources

Intangible resources	Relevance to the business model	Source of value creation
Intellectual capital **(know-how, innovation centers, acceleration of start-ups)** Chapter 2.1.2.1.	Know-how, data and advanced algorithms enable effective risk management, tariffs, and product development in the areas of insurance, health, investment, and banking	• product personalization, selection and precise risk assessment, tariff adequacy • increased profitability and portfolio stability • better tailoring of products to customer needs • development of innovations (including digital tools, automation of claims handling, telematics) • access to market solutions, continuous ability to acquire and implement innovations with startups (scalability) • maintaining market leadership position
Human capital **(employees and agents)** Chapter 2.1.2.2.	Competence of employees and agents – who are experts in the areas of insurance, health, investment and banking – determining the quality of services provided and the ability to develop products, enable key processes: risk assessment, sales, claims handling, analytics and investment management; underpin operational efficiency and regulatory compliance	• improving the quality of customer service • increasing the efficiency of operational processes • product and service development • building an organizational culture that supports efficiency and regulatory compliance
Social and relational capital **(brand and reputation, CRM, customers, partners, distribution networks)** Chapter 2.1.2.3.	PZU has one of the strongest brand names in the Polish financial sector. The strong PZU brand increases trust and recognition, builds loyalty and competitive advantage. A wide and diversified network of distribution channels (multi-agents, branches, bank partners, digital channels) and the largest customer base enable large-scale distribution of services and realization of synergies between segments	• stable, recurring revenue from long-term relationships • synergy between business segments (cross-selling) • effective scaling of new products • development of health and investment services based on customer trust
Infrastructure capital **(data ecosystem, IT systems, processes, analytics, data warehouse, digitalization)** Chapter 2.1.2.4.	Advanced IT systems and developed process architecture enable massive customer service, effective risk management and large-scale service provision, including claims handling	• lower operating expenses • faster and more accurate claims handling processes • development of self-service channels and digitalization of customer contact • improvement of data quality and cyber security • better use of analytics and artificial intelligence for competitive advantage

2.1.2.1. Intellectual capital

As regards intellectual capital, of key significance to the PZU Group are the intangible resources of the whole organization and distinct employees in the form of knowledge, experience, research, development and pursuit of a culture of innovation.

Intellectual capital	2024	2025
Number of reporting and analysis centers in PZU	6	11
Number of AI ambassadors at PZU	0	>50
Accelerator and mentoring programs	2	2
Intellectual capital – results	**2024**	**2025**
NPS recommendation index (relational)	2.8%	5.8%
Number of innovative projects submitted for implementation	5	7

Performance management pertaining to this type of capital includes in particular activities related to:

- developing CRM systems, tools for remote sales and contacts with clients;
- personalizing the product offering;
- building product ecosystems;
- integrated approach to distribution channels (omnichannel approach);
- implementation of Group standards and regulations;
- building an environment favorable to innovation.

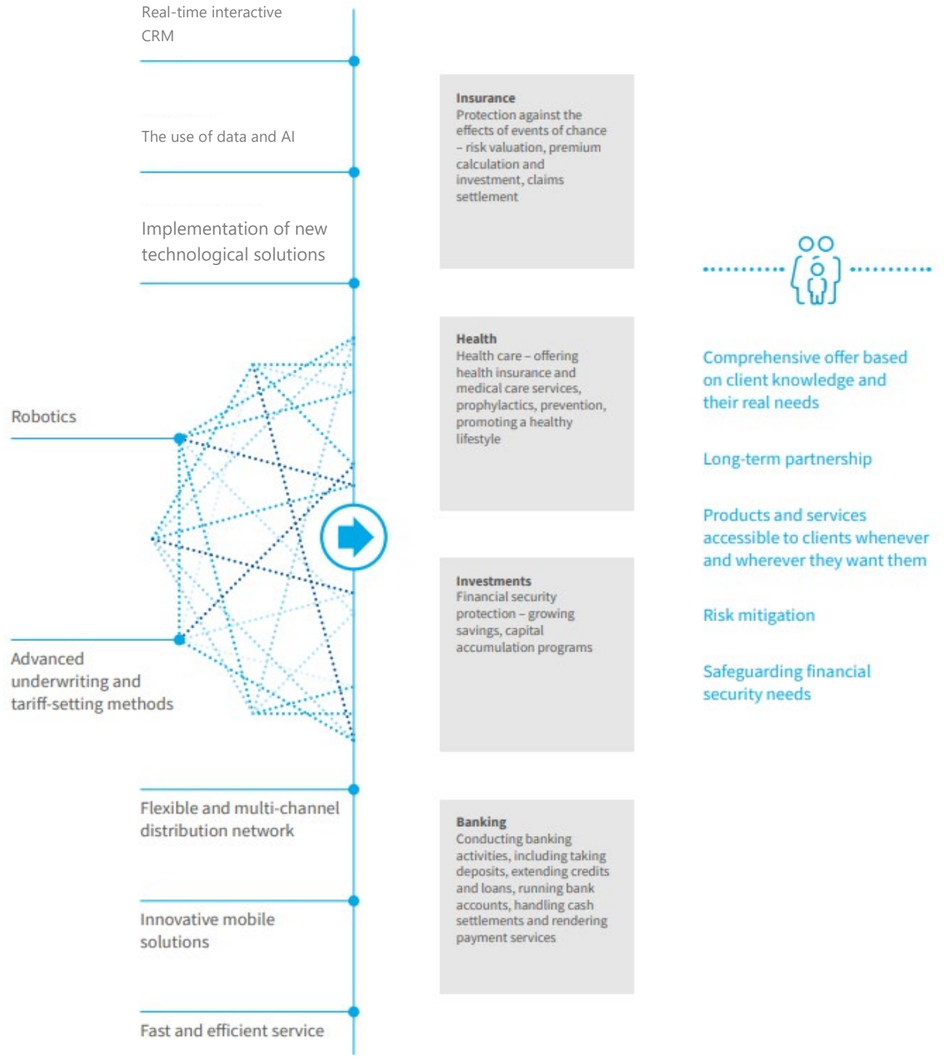
Example of impact on other capitals:

- financial (operating expenses);
- human (competence; well-being);
- social and relationship (client satisfaction, location);
- infrastructure (availability of offerings);
- natural (product innovation).

Approach to innovation

Innovation is one of the key values for the PZU Group. Innovation thinking outside the box, breaking molds and looking for opportunities to streamline functioning of the company. Innovation in the PZU Group is not limited to a single division, project or area. Changes are constantly being made to every aspect of how the firm operates, and they combine to form a picture of one of the most innovative companies in the financial industry in Europe. PZU's innovations contribute to client satisfaction, which is a top priority for the Group, and to employee comfort, and at a micro scale, to the development of the overall economy.

Innovation in the PZU Group's product and service offering



Data as a key value of PZU

The innovation approach adopted by PZU supports the pursuit of the overall PZU Group's mission and strategy. Four major areas are set forth thereunder, in which particular effort is expended to find new solutions, with a special focus on high-volume processes:

- advanced analytics and using big data sets;
- new interactions with a customer, value added services and ecosystems;
- digitalization – in particular emerging technologies;
- artificial intelligence.

Responsible approach to data use and analytics

Artificial Intelligence (AI) brings both the potential for benefits and challenges related to data privacy, transparency, ethics of data use and security. The PZU Group consciously and responsibly implements the above solutions in accordance with the Data & AI Governance Policy, taking into account the AI Act, Data Act, Data Governance and DORA regulations, among others. In order to properly address the above elements, an interdisciplinary AI Governance team is in place at PZU, consisting of representatives from many areas, both those producing AI systems and models (manufacturers), business units using AI systems and models (consumers), and units responsible for legal, risk, compliance, data management and security issues.

One of the key ongoing activities is the development of the analytical and operational area of CRM towards full integration with digital channels in order to better personalize offers throughout the client relationship lifecycle (Customer Journey). And also in terms of closing sales paths by means of, among other things, using knowledge of client interactions to implement after-sales and maintenance campaigns adequate to customers' needs. By extending actuarial models with new parameters and additional external data, underwriting processes were developed, providing more precise risk estimates and better price proposals for clients. Work is currently underway to increase the precision of tariff models, which will translate into increased efficiency in risk selection. In the area of claims and benefits, advanced analytical models are used, among other things, to support clients in selecting optimal paths of claims manageability and matching settlement forms. Tools for finding non-obvious relationships in data (data mining), text, image and voice recognition to automate damage estimates, graph networks to detect insurance crime and organized groups (FMS – Fraud Management System), or RPA robotics have also been developed for many years.

Due to the dynamic development of the digital world and the arrival of data as an information resource, the PZU Group is constantly developing its reporting and analytical solutions, pursuing its mission to increase competitive advantage through the effective use of data. Reliable data is a vital asset for the company and is essential for business processes such as, among others, risk assessment, underwriting, accurate tariff estimates, combating fraud and insurance crime, personalizing offers and broader portfolio management, as well as claims and benefits handling. For more than two decades, the Information Management Department has been developing a corporate Data Warehouse and reporting and analytical solutions (Business Intelligence) that are a key element of the organizational culture and strategic approach to business management in the PZU Group. The Data Warehouse gathers information from more than a hundred internal and external sources (currently more than 100,000 attributes, current and historical data from the last 30 years) in such a way that it can serve in strategic, management and operational decision-making processes. In order for the mission of information management to be fully realized, modern ICT infrastructure solutions are being implemented that are adapted to the volume and type of data and users, technologies and analytical techniques that are adequate to business demand and meet market standards, and tools that provide information recipients with fast and uninterrupted access to data and analyses. It is one of the largest information ecosystems in this part of Europe.

Since 2023, Reporting and Analysis Centers have been operating in PZU key business areas (Retail Sales, Corporate Sales, Product and Tariffs, Client, Claims and Benefits, Finance), aimed at, among other things, ensuring information consistency and quality, and improving the efficiency of analytical and reporting processes to support informed management. In 2025, saw the implementation of processes of adapting the above organizational model to the Business Units, which were launched as a result of the evolution of the operating model. An important element of this transformation is the Data Mesh architecture, focused on expanding thematic data warehouses that streamline access and analysis of information in key areas. They contribute to a better understanding of market trends, performance and effective management of insurance business and risks. Investment has also been made in new Business Intelligence tools, Data Quality and external data sources, enabling analysts to analyze and formulate valuable conclusions more easily and in greater depth than before, while ensuring the reliability of the information. An example of optimizing and improving the efficiency of reporting processes is the significant reduction in the time required for financial month-end closing and IFRS17 reporting, which allows for faster delivery of key information to shareholders and regulators. Given the growing importance of sustainability, ESG and CSRD reporting processes were significantly developed, allowing for transparent and credible presentation of activities in these areas.

In terms of expanding advanced analytics environments and processes, the ML-Ops Hub has been enhanced to manage, inventory and, most importantly, create and continuously improve machine learning (ML) and artificial intelligence (AI) models. As a result, new analytical models have been successfully implemented to support business processes and accelerate data-driven transformation.

Value resulting from data-driven transformations

The total estimated value of achieved ROI for completed projects and initiatives that make significant use of data and analytics **now** exceeds **10% of the annual technical result.**



Key areas of analytical support

Retail and corporate sales: new business, client acquisition, network efficiency (market and competitive analysis, client needs analysis, channel optimization and sales efficiency).

Client and CRM: marketing, upsale, CLTV client value enhancement and loyalty, segmentation, campaign management (including x-sell and up-sell product recommendations, exit prediction and retention management), Customer Experience, hyper-personalization of content and hybrid model of offering and after-sales service in digital and traditional channels.

Product and Tariff: product creation and underwriting (product creation, modeling in the area of tariffs, underwriting and optimization of price elasticity, customization of offers).

Claims and Benefits: claims handling process management (segmentation, claims handling analytics, vehicle repair costs analytics, path manageability and partner ecosystem analytics), increased fraud detection (fraud pattern analytics and fraud prevention models, SNA networks).

Finance and risk: risk management and eviction optimization (analytics of insurance portfolios risk, predictive analytics, reserve management, recourse optimization and accounts receivable management), reporting and management accounting (including activity-based costing, budget and performance planning and monitoring).

Dynamic development of advanced analytics, including machine learning and artificial intelligence (AI)

The PZU Group has also been investing for years in digitization and automation of processes, but it also makes significant use of data, behavioral and phenomenal patterns, new analytical techniques and technologies, including artificial intelligence (AI) and machine learning (ML). New technologies are the way to better understand the needs and provide more comfort to clients, to serve them more efficiently, but also to better assess risks and consequently value insurance, optimize claims handling processes or, finally, to improve systems for detecting insurance fraud and crime. It is also a way to gain competitive advantages in a world where personalized offers and sales in digital channels are playing an increasingly important role. There are currently more than 350 analytical models in the PZU Group. Today, AI in the PZU Group is used not only to automate and optimize internal processes, but also to improve experiences and relationships with current and potential clients. However, the solutions implemented do not completely take control of the processes, but are only suggestions and hints. The decision always lies with the person – the client, employees or intermediaries.

In order to operate even more efficiently in the area of dynamic development of artificial intelligence, a strategic AI Transformation project was launched in December 2025, which aims at, among other things, accelerating the adoption of AI solutions through the implementation of a modern cloud platform and the centralization of projects and initiatives, as well as at raising employee awareness and verifying the possibility of AI supporting all areas of the Company's current operations.

Innovation and AI team

The PZU Group is fully aware that innovations call for making creative space conducive to generation of ideas, as well as prototyping, testing and implementing unique original solutions. This is the role of PZU's Innovation and AI Team. Its overarching task is to search for modern solutions, check them, perform tests and support rollouts. Moreover, special processes have been forged in the entire organization to facilitate rapid testing and implementation of innovative solutions.

In 2025, over 1000 ideas and start-ups were analyzed; and 12 pilots of innovative solutions were launched. There were 13 pilots which were completed, and 7 out of those 13 were advanced to the implementation phase. Among them were solutions to support the cyber security area, claims and benefits handling processes, the sales area, the corporate client area, as well as AI solutions that have a positive impact on the efficiency and quality of work of all PZU employees. Since the inception of the Innovation area PZU has completed many unique projects, which have been awarded with dozens of industry prizes. Among other awards, in 2025, PZU received the Eagle of Innovation Award for its Self-Service NEXT solution and the "Cyfrowa Rzeczpospolita" Award for its special contribution to the development of digital transformation.

GPT Lab

Since 2024, with advances in artificial intelligence and the development of large language models, a GPT Lab team has continued its work at PZU. The team is responsible for analyzing ways to safely use GenA technology in PZU operations, identifying valuable cases and testing the pilot projects. The GPT Lab team applies procedures for testing innovative solutions and operates

on specially dedicated cloud resources from a trusted provider of these technologies. The process is constantly monitored, and the right approach to artificial intelligence testing ensures that experimenting with this technology is safe and reliable. The GPT Lab functions as a working team within the PZU, consisting of representatives of many units, including the Innovation and AI Team, Information Technology Division, the Information Management Department, the Artificial Intelligence Factory and the Development and Deployment Department. The above units are core areas where experts use the latest advances in AI and machine learning to analyze the vast amounts of data available at PZU. Since 2024, GPT Lab has implemented, among other things, a generative artificial intelligence solution to support the PZU's Home insurance self-service claims handling process (the Self-Service Next project), AudioAI – a tool to transcribe and analyze recordings. One of the activities carried out by the Team is also the coordination of AI Assistant adoption among PZU employees. The change management process is implemented in a structured and consistent manner, with one focus on the business value as generated and the safety of using the tool. At the end of 2025, more than 50% of PZU employees regularly used the solution and they generated more than 1.7 million prompts.

Accelerator programs

Accelerator programs combine the potential of young, creative entrepreneurs with the infrastructure and experience of large companies. Their goal is to accelerate the growth of startups by, among other things, allowing them to test their solutions with large companies, providing financial support and scaling up their operations. PZU wants to support innovators who are at the beginning of their journey or are just gaining momentum.

PZU participates in two accelerator programs, Huge Thing and Start Smart CEE, which combine the potential of young, creative entrepreneurs with the infrastructure and experience of large companies.

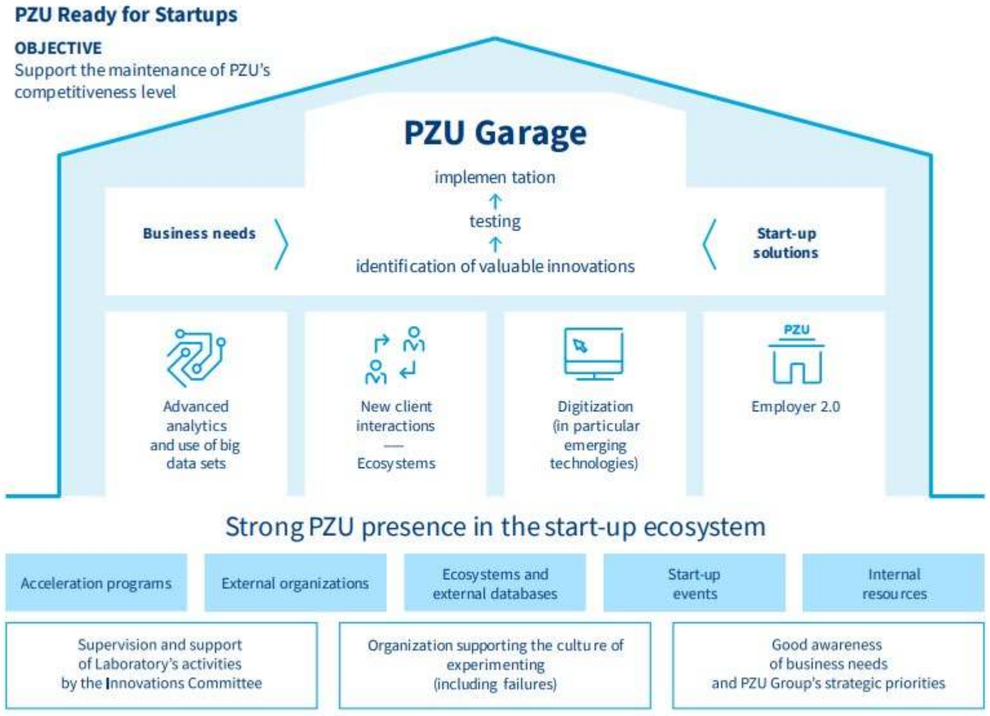
In 2025, projects with three start-ups were carried out under accelerator programs. The first one of these startup was RIFFSEC (Huge Thing accelerator), which provides the Security Department with detecting information on data leaks, darknet and Telegram monitoring, as well as information on planned phishing attacks. The solution was successfully tested and implemented.

The second entity was simpl.rent (Huge Thing accelerator), which operates at the intersection of fintech, insurtech and proptech. As part of the pilot, a tool was created to build a sales process for new programs for closed groups in an easy, secure and customer-friendly way. The first such a program was implemented and it is expected that the cooperation will continue.

PZU Ready for Startups

PZU Ready for Startups is a program to work with startups and technology partners to test and implement innovations at PZU. They cover business areas and involve solutions at various stages of development – from initial ideas directed to accelerator programs, to commercial implementations preceded by a short process of adapting solutions to business needs.

Since the program's launch, PZU has already conducted 90 pilots, which have resulted in over 50 projects submitted for implementation. The cumulative business benefits generated by the implemented solutions have already exceeded PLN 250 million (8 years of program operation).



Capital expenditures incurred in 2025

In 2025, the PZU Group's key insurance companies – PZU and PZU Życie – ran an extensive transformation program, whose essence is reflected in the structure of expenditures: more than 85.8% of all capital expenditures were technology initiatives, especially in the areas of digitalization and the IT environment development, while about 12.1% related to administrative costs. The other categories were complementary in nature: marketing expenditures accounted for just under 0.7%, HR activities for about 0.5%, the real estate area for 0.6%, and back-office and efficiency initiatives for about 0.3% of expenditures. The data clearly confirms the strategic direction: focusing on technological modernization and strengthening the organization's digital foundations.

Development activities are an important part of IT expenditures. One of the key projects in 2025 included the further development of the CRM environment, which is one of the most important elements of the PZU Group's commercial transformation. The CRM system being developed enables customer relationship management in a holistic way, providing a complete picture of customers' needs and behavior and allowing personalized communication across all communication channels. The result of these activities will be the readiness of the CRM ecosystem to implement advanced business concepts in the area of customer value management – this directly supports the implementation of the key pillars of the PZU Group's strategy and creates a solid foundation for further sales growth, improving retention and strengthening long-term customer relationships.

Key project expenditures also included the modernization of claims handling processes, as well as the standardization and integration of systems supporting eviction processes. The implementation of projects on optimizing recourse processes and receivables handling was an essential element in improving operational efficiency. As part of this initiative, the database model was expanded and changes were made to improve data flow and reduce the risk of errors.

In the non-life insurance segment, development projects as performed targeted the sales front and focused on modifying the residential product offering. The goal was to adapt the product to changing customer expectations, improve the efficiency of the sales funnel and increase conversions.

The development of the mojePZU platform remains an important part of the digital transformation. In 2025, the ongoing works included evaluating the current architecture for its ability to handle the growing scale of users and transactions, as well as preparing requirements for the next implementation phase. The platform serves as a central channel for customer communication and self-service, and the ongoing activities secure its scalability and reliability in future periods, which is the foundation for increasing the number of digital interactions and moving processes to remote channels.

In the area of assistance services, the works continued to consolidate and upgrade the system environment, moving all processes to a single, integrated solution.

At the same time, initiatives of systemic and regulatory importance were carried out to – among other things – implement a partial economic capital model for the PZU Group.

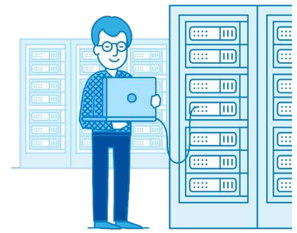
Capital expenditures planned for 2026

The PZU Group's project plans for 2026 are dominated by initiatives focused on further strengthening business foundations, developing modern sales channels and improving operational efficiency at both PZU and PZU Życie. Of key importance are activities aimed at developing advanced pricing tools in communication and non-communication products to ensure greater precision in risk pricing and flexibility in responding to market trends. At the same time, a transformation of sales networks is planned throughout the organization.

Activities for accelerating the digitization and automation of operational processes are an important part of the project plan. More solutions are scheduled to be implemented in 2026 to improve customer service efficiency in the middle and back-office units, in addition to initiatives to reduce administrative costs by reducing paper correspondence and printing. Activities will also be carried out to increase the effectiveness of anti-fraud efforts and improve recovery and recourse processes. This is complemented by continued upgrades in the areas of claims handling and recourse process handling, aimed at improving process quality and reducing operating costs.

In 2026, the plan is to develop the technology and prepare the organization for full use of artificial intelligence. It is planned to build a state-of-the-art AI platform, implement regulatory standards for managing artificial intelligence, as well as prepare structures and processes to ensure compliance with EU requirements. Solutions will also be developed to support compliance with AML/CFT regulations and standards for data retention and security. In addition, the plans include the modernization of the architecture of key digital services – including the most important service for customers – to ensure stability and scalability with the rapidly growing number of users.

The entire project portfolio is complemented by organizational and system initiatives, including the modernization of service systems in the claims area, the creation of unified sales pathways and the optimization of using the real estate space. In parallel, key projects that started in previous years will be continued, including projects on economic capital model, tax settlement, the assistance system and the development of flagship insurance products. By combining growth, technology and optimization activities, the PZU Group's 2026 project plan provides a coherent and comprehensive response to the strategic needs of both companies and strengthens their competitive position in the market.



2.1.2.2. Human capital

Human capital management involves matters related to creating a workplace, caring for safety, building relationships and dialog, supporting diversity, managing talents, and retaining key employees.

Human capital	2024	2025
Number of employees per FTE (PZU and PZU Życie)	9.7 thousand	9.6 thousand
Number of tied agents and customer advisors (PZU and PZU Życie)	7.7 thousand	7.5 thousand
Percentage of people working remotely (PZU and PZU Życie)	29.7%	29.8%

Human capital – results	2024	2025
Rate of employee involvement	47%	46%
Rate of new employees (in full-time equivalents at PZU and PZU Życie)	8.7%	8.5%
Rate of voluntary terminations and dismissals (PZU and PZU Życie)	10.0%	10.5%

Performance management pertaining to this type of capital includes in particular activities related to:

- diversity and respect for human rights;
- ensuring safe working conditions;
- development and training;
- hiring and retaining key employees;
- ensuring a healthy work-life balance;
- ensuring conditions for an honest dialog with trade unions;
- shaping ethical attitudes.

Example of impact on other capitals:

- financial (operating expenses);
- intellectual (culture of innovation);
- social and relationship (brand recognition);
- infrastructure (availability of offerings);
- natural (awareness of the impact on the environment).

2.1.2.3. Social and relational capital

This type of capital is made up of shared norms, values and behaviors that build long-term and lasting relationships with stakeholders. These are aspects related to client loyalty, brand perception and preventive, sponsoring and social activities.

Social and relational capital (PLN)	2024	2025
Expenses for prevention activities (PZU and PZU Życie)	71.4 million	68.1 million
Expenses for sponsorship activities (PZU and PZU Życie)	20.3 million	24.4 million
Funds donated to the PZU Foundation	6.3 million	20.0 million

Social and relationship capital – results	2024	2025
Number of beneficiaries of PZU employee voluntarism;	11,163	4,363
Number of volunteerism actions organized by the PZU Foundation	50	38
Number of recipients of community activities on safety and sustainable lifestyles	15.0 million	16.1 million

Performance management pertaining to this type of capital includes in particular activities related to:

- setting standards for cooperation with suppliers and business partners;
- deploying systems to improve client service;
- approach to recruiting and supporting agents;
- promoting a healthy lifestyle;
- disease prevention;
- accident prevention;
- providing support to local communities;
- supporting activities aimed at promoting sports, culture and art.

Measurement of the effectiveness of this type of capital is largely based on analyzing the outcomes of preventive and sponsoring campaigns, social campaigns and socially beneficial projects, and the use of funds allocated to activities pursued by foundations.

Example of impact on other capitals:

- financial (price elasticity);
- intellectual (brand recognition);
- human (engagement);
- natural (environmental awareness in the supply chain).

2.1.2.4. Infrastructural capital

This type of capital is made up of the largest distribution and service network in Poland, in particular: branches, outlets, agents and business partners, the claims and benefits handling network, and electronic distribution channels. It also includes one of the largest corporate Data Warehouses in Central and Eastern Europe as well as reporting systems and ML/AI advanced analytics, IT tools and systems that enable information flow both within and without the PZU Group. As a result, PZU Group customers enjoy easy and convenient access to financial products and services.

Infrastructural capital	2024	2025
Number of tables / data in the data warehouse	~ 200 thousand / 475TB	~ 200 thousand / 500TB
Number of PZU, Bank Pekao and Alior Bank branches	1,498	1,445
Number of PZU Zdrowie's own branches	~130	~130

Infrastructural capital – results	2024	2025
Number of active data warehouse users / Business Intelligence users on average per month	>3.5 thousand	>3.5 thousand
Number of users of the sales and service platform mojePZU	4.9 million	5.8 million
Number of active inPZU users	259 thousand	364 thousand

Performance management pertaining to this type of capital includes in particular activities related to:

- growth of sales structures;
- organization of work in branches;
- growth and transformation of facilities in the health area;
- standardization of structures and positions;
- development of electronic distribution channels for financial products and services;
- digitization of processes within the PZU Group.

Example of impact on other capitals:

- financial (operating expenses);
- intellectual (level of innovation);
- human (quality of client service);
- social and relationship (accessibility and countering exclusion);
- natural (emissivity).

2.1.2.5. Natural capital

Natural capital	2024	2025
Energy consumption from non-renewable fuels (PZU and PZU Życie) [GJ]	133,295	129,753
Total consumption of energy purchased and produced (PZU and PZU Życie) [GJ]	134,272	136,184
Electricity from renewable energy sources (PZU and PZU Życie)	85%	66%

Performance management pertaining to this type of capital includes in particular activities related to:

- minimizing the environmental footprint, reducing own and indirect CO2 emissions;
- shaping the investment policy;
- building climate awareness among employees, clients and partners;
- involvement in the climate and energy transition;
- implementation of ESG factors into operations;
- development of products for entities supporting low-emission technologies.

Example of impact on other capitals:

- financial (commitment to green investments);
- intellectual (reduction initiatives);
- human (environmental awareness);
- social and relationship (pro-ecological products);
- infrastructural (transition to low-carbon technologies).

Value creation model [IIRC]

Capitals (2024/2025)

Financial

- 503.3 bn PLN / 535.5 bn PLN - assets
- 65.3 bn PLN / 72.7 bn PLN – equity
- 5.1 bn PLN / 8.0 bn PLN - subordinated bonds

Intellectual

- 6 / 11 - number of reporting and analysis centers in PZU
- 0 / >50 - number of innovation centers
- 2 / 2 - number of accelerator and mentoring programs

Human

- 9.7 thous. / 9.6 thous. - number of employees per FTE (PZU and PZU Życie)
- 7.7 thous. / 7.5 thous. - number of tied agents client advisors (PZU and PZU Życie)
- 29.7% / 29.8% - percentage of people working remotely (PZU and PZU Życie)

Social and relational

- 71.4 m PLN/ 68.1 m PLN - funds transferred for prevention activities (PZU and PZU Życie)
- 20.3 m PLN / 24.4 m PLN - funds transferred for sponsorship activities (PZU and PZU Życie)
- 6.3 m PLN / 20.0 m PLN - funds transferred to the PZU Foundation's operations

Infrastructural

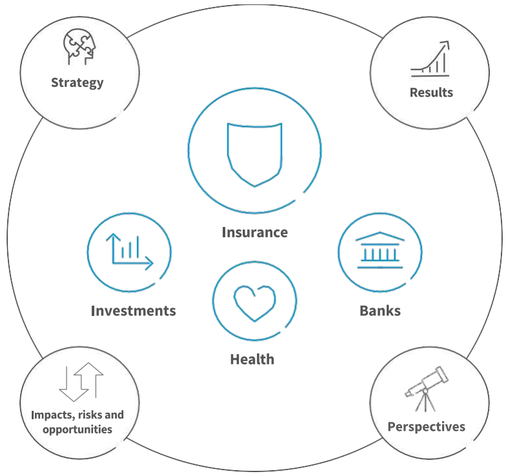
- ~200 thous. / 475TB / ~200 thous. / 500TB - number of tables / data in the warehouse
- 1,498 / 1,445- number of PZU, Pekao and Alior Bank branches
- ~130 / ~130 - number of own branches of PZU Zdrowie

Natural

- 133,295 [GJ] / 129,753 [GJ] – energy consumption from non-renewable fuels (PZU and PZU Życie)
- 134,272 [GJ] / 136,184 [GJ] - consumption of purchased and produced energy (PZU and PZU Życie)
- 50,006 [GJ] / 44,144 [GJ] – ... of which energy from renewable sources

Operating model

Based on tangible and intangible resources, the PZU Group creates value for shareholders, customers, employees and agents, exerting influence on the Polish economy and its sectors. In doing so, the PZU Group makes effective use of its scale of operations, innovation (products, service, services) and knowledge of customer needs – today and tomorrow.



business corporate governance

Results from capitals (2024/2025)

Financial

- 29.4 bn PLN / 30.9 bn PLN - insurance revenue
- 28.2 bn PLN / 29.4 bn PLN – investment result
- 5.3 bn PLN / 6.7 bn PLN - net profit for shareholders of PZU's parent company

Intellectual

- 2.8% / 5.8% - NPS recommendation – relational index
- 5 / 7 - number of innovative projects submitted for implementation

Human

- 47% / 46 % – employee engagement rate
- 8,7% / 8,5% – rate of new employees (in full-time equivalents at PZU and PZU Życie)
- 10,0% / 10,5% – rate of voluntary terminations and dismissals (PZU and PZU Życie)

Social and relational

- 11,163 / 4,363 - number of beneficiaries of PZU's employee volunteer service
- 50 / 38 - number of volunteerism actions organized by the PZU Foundation
- 15.0 mln / 16.1 mln - number of recipients of social activities in the area of safety and sustainable lifestyle

Infrastructural

- >3.5 thous. / >3.5 thous. – number of active data warehouse users / Business Intelligence users on average per month
- 4,9 m / 5,8 m – number of users of the sales and service platform mojePZU
- 259 thous. / 364 thous. – number of active inPZU users

Natural

- 85% / 66% – electricity from renewable energy sources (PZU SA and PZU Życie)

Impact (2025)

Clients

PZU Group has 22 million clients, including 16 million insurance clients. Relationships of PZU Group companies include approx. 80% of households in Poland. Through its compensation payments and loans, PZU helps maintain financial stability for families and businesses.



- 18,0 bn PLN / 18,1 bn PLN - claims and benefits
- 43,6 bn PLN / 45,9 bn PLN – liabilities under insurance contracts
- 232,2 bn PLN / 249,1 bn PLN – loan receivables

Employees

PZU Group is one of the largest employers in Poland, cares about friendly working environment, health and well-being of employees, strengthening their skills and offering them a wide range of training and development opportunities.



- 6,4 bn PLN / 6,6 bn PLN – wages
- 145 m PLN / 167 m PLN – 3rd pillar contributions, including EPSs/ECSs
- 9 m PLN / 8 m PLN – ZFŚS (amount from net profit allocated to the Company Social Benefits Fund)

Shareholders

PZU has shareholders in 57 countries (2025). It is one of the largest Polish companies listed on the Warsaw Stock Exchange. Since its debut on the WSE in 2010, more than 36.9 bn PLN has already been allocated for dividend payments.

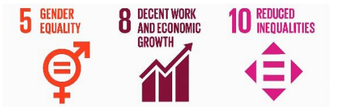


- 4.34 PLN / 4.47 PLN – paid dividend per share
- 9.2% / 9.8% – dividend yield
- 6.2% / 55.3% – total (annual) rate of return on PZU shares (TSR)

Central administration

- 1.6 bn PLN / 1.6 bn PLN– tax on financial institutions
- 121.7 bn PLN / 147.9 bn PLN – sovereign bonds

Social responsibility



2.2. Value chain

Operational processes, with insurance business as the key element, are at the core of the PZU Group's value creation model. The offering is supplemented by health, banking, investment and pension products. Equity management in the PZU Group is implemented in accordance with the PZU Group's strategy. This is why aspects related to the core business – insurance offered by PZU and PZU Życie – are of greatest importance.

The PZU Group, in its double materiality analysis process, is based on the following value chain:

- Suppliers: managing relationships with suppliers or corporate service providers (e.g., IT contractors), and relationships with third-party brokers or agents;
- In-house operations: human resources, IT, facilities and property protection;
- Property insurance: property insurance offerings, their marketing and distribution, claims and benefits handling;
- Life and health insurance: life and health insurance offerings, their marketing and distribution, claims and benefits handling;
- Own investments: asset management of own investments;
- Mutual and pension funds: asset management, marketing and distribution of mutual and pension funds;
- Business banking: banking services offered to business clients, including loans, bond issuance and cash management services;
- Retail banking: banking services for retail clients, including daily banking and a portfolio of loans including mortgages;
- Health-care: operations of private medical facilities operated by PZU Zdrowie and the offering, marketing and distribution of medical care packages.

The value chain includes a number of processes, resources and relationships that enable the Group to conduct its business. The value chain also reflects and is closely linked to the life cycle of the Group's products, creating a comprehensive structure, which covers all stages: from product conception, through product handling, to the end of the life cycle, and in the case of insurance, the latter can still last for several years after the end of coverage. Value moves along the chain, driven by collaboration, innovation and process improvement, and thus plays its role in the Group's growth, in strengthening its market position, and in building shareholder value.

I. Supply chain

Chapter 2.3

The PZU Group works with suppliers from many industries. The largest group of suppliers include IT and real estate contractors. The spectrum of supplies is wide, i.e., from comprehensive orders in the area of information technology and consulting to conventional goods and services.

II. Operating activities

Chapter 2.4

PZU Group's processes involve employees, partners and platforms. The main areas of operations include: insurance, banking, investment, health. Key processes related to processes in the insurance area: market research, client needs and expectations; creation and development of products and services; sales and distribution; claims handling; settlement of benefits and liabilities; client service and client relationship management; operations (sales handling and settlement, contract processing); data security; management of the Company's financial resources.

Support processes (insurance business): human resources management; information management; IT management, development and maintenance; accounting; financial services; administration and logistics; corporate support (including legal services, corporate governance, marketing and communications, investor relations, etc.).

III. Sales and distribution

Chapter 2.5

The PZU Group provides its clients with a comprehensive product offering through synergies within the conglomerate companies, offering access via a variety of distribution channels. Among all insurers operating in Poland, PZU provides its clients with the access to the largest sales and service network (as part of the insurance offering).

2.3. Supply chain

The structure of purchasing expenditures is dominated by suppliers in the areas of real estate, IT and administration. The spectrum of supplies is wide, i.e., from comprehensive orders in the area of information technology and consulting to conventional goods and services.

Norms and standards

The PZU Group conducts business activity in compliance with all laws, health and safety rules, human rights and health protection. With its implemented measures, it contributes to shaping the attitudes of suppliers.

Procurement Policy

The Procurement Policy in the PZU Group lays down the fundamental principles in the process of selecting the suppliers of goods and services, and the principles of cooperation and information exchange in procurement the PZU Group. It is in force in all PZU Group companies that are parties to the Agreement on the principles of cooperation within the PZU Group dated 21 March 2017, including: PZU Zdrowie, LINK4, TUW PZUW, TFI PZU, PTE PZU, PZU Pomoc, PZU Centrum Operacji and the PZU Group companies in the Baltic Countries and Ukraine. Bank Pekao and Alior Bank have entered into a cooperation agreement with PZU on cooperation in procurement. Its subject matter is to cooperate for the purpose of achieving procurement-related synergies, exchange information about the supplier market and key variable contractual terms as well as cooperate in the area of procurement procedures, processes and tools.

The Policy regulates issues regarding transparency and competitiveness of the process, protection of information, separation of the recommendation and approval functions, and elimination of conflicts of interest. It emphasizes the obligation to treat suppliers equally, the prohibition of corruption and the requirement of ethical behavior of those involved in the process.

The document also empathizes the need to store documentation for the entire period of cooperation, to ensure suppliers' acceptance of the CSR Code and to introduce clauses that allow the transfer of contract information to PZU.

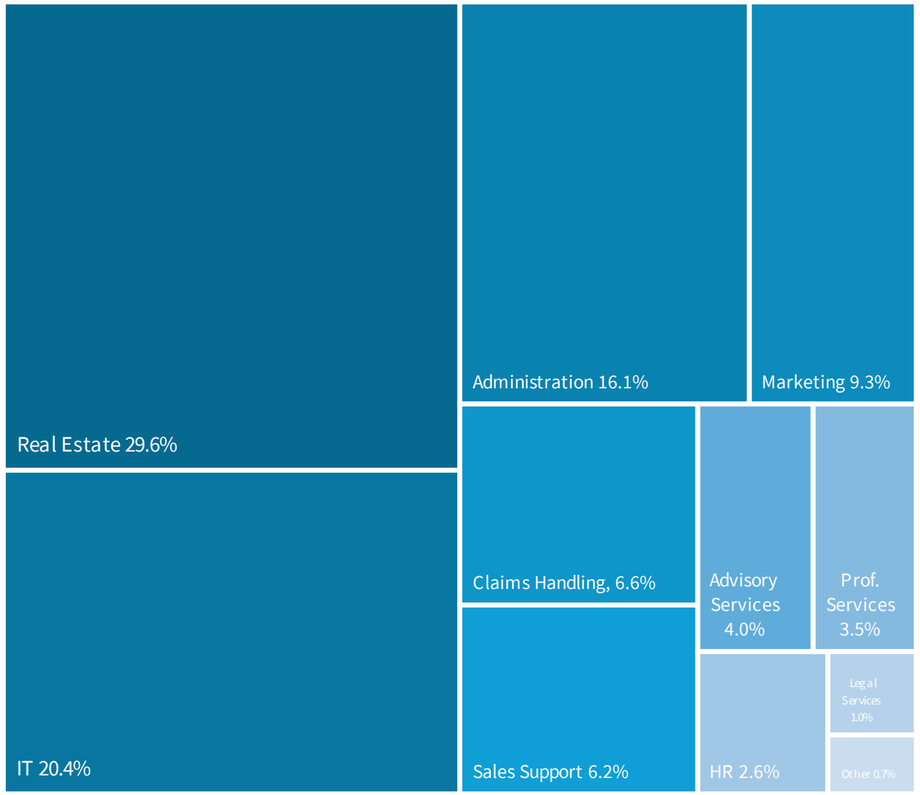
Other important provisions of the Policy require defining rules for cooperation and information exchange between entities within the Group, including the obligation to provide data on purchasing processes and suppliers to the Purchasing Department.

Supplier management procedure

PZU and PZU Życie have in place a Supplier Management Procedure governing the area of supplier registration, verification and qualification. In line with the Procedure, the placement of a supplier on the List of Qualified Suppliers is preceded by supplier registration, verification and qualification processes.

Registration process – the supplier registers in the Supplier Database at its own initiative or in response to an invitation from a PZU employee if the supplier has not yet been placed on the List of Qualified Suppliers. It fills out the form with the data and submits declarations that it has familiarized itself and accepted the Code of Conduct and ESG Best Practices for PZU Group's Suppliers.

Purchase structure of PZU and PZU Życie (2025)



Verification process – an employee of the PZU Supplier Qualification and Assessment Team checks the data and documents presented in the form, collects opinions within the organization. Then he or she decides on whether to reject a Supplier or commence its qualification process.

Qualification process – involves an assessment of the collected data or documents against a specific procurement category. The qualification decision is made by the employee and approved by the manager.

Supplier Status	2024	2025
Registered	1,089	1,225
Qualified	2,009	2,301

Supplier selection procedure

The "Procedure for the Selection of Suppliers of Goods and Services" defines the principles and method of running the supplier selection procedure in PZU and PZU Życie.

According to this document, suppliers are selected as a result of:

- tender proceedings;
- negotiations;
- single-source procurement.

Documentation related to the supplier selection process, including: requisitioning, invitations to participate in tender proceedings and other tender documents, submitted offers, documents related to the decision-making process of the tender commission or negotiation team and the supplier selection protocol is stored by the Procurement Department or the unit of the company unilaterally making the selection for at least the entire term of cooperation with the selected supplier, and then is archived according to the principles in force in the company. The Procurement Department has the right to verify a requisition in terms of the expedience of a procurement and the description of the subject matter of the procurement.

Supplier Status	2024	2025
Purchasing procedures completed by the Purchasing Department (tenders, negotiations, single-source procurements, requests for information – RFIs) at PZU and PZU Życie.	299	288
Contracts executed with suppliers in PZU and PZU Życie, in total.	9,646	8,124

Code of Conduct and Good ESG Practices of the Suppliers of the PZU Group

Any company wishing to cooperate with PZU shall familiarize itself with and accept the "Code of Conduct and ESG Best Practices for PZU Group's Suppliers" at the stage of submitting the Supplier Registration Form to be entered into the List of Qualified Suppliers. The Code is a collection of principles for the PZU Group and all its suppliers. Conducting business in accordance with these principles and promoting the Code's values constitute an important criterion for evaluating potential business partners. Moreover, when suppliers submit their offers, they must sign the declaration that they have familiarized themselves with and accepted the Code.

The Code defines requirements for suppliers in the areas of environment, society and corporate governance.

Society

The PZU Group expects Suppliers to respect human rights, which includes expecting them to:

- ensure safe and ergonomic working conditions for employees;
- guarantee fair wages and respect the right to freedom of association;
- show zero tolerance to any form of slavery and forced labor;
- comply with the applicable regulations prohibiting child labor;
- ensure the development of employee competences;
- take care of work-life balance;
- ensure equal treatment in the workplace and refrain from any discriminatory practices due to age, gender, disability or race;
- strictly prohibit workplace harassment and any other forms of bullying.

Environment and climate

The PZU Group expects Suppliers to comply with environmental and climate change mitigation rules, which includes expecting them to:

- strive to recycle secondary raw materials, reduce waste production, and segregate waste that has already been produced;
- minimize the emissions of greenhouse gases, exhaust and dust;
- consume electricity and heat rationally;
- strive to use energy from renewable sources;
- participate in actions for environmental protection and biodiversity restoration;
- promote pro-environmental attitudes.

Corporate governance

The PZU Group expects Suppliers to comply with the highest standards of data protection, and

- apply the highest business standards in terms of the principles of fair and free competition and accuracy and credibility in communication with clients;
- adhere to the rules arising from the anti-corruption standards, as laid down in the PZU Group;
- protect and not disclose confidential information obtained in the course of cooperation;
- prevent conflicts of interest;
- respect the intellectual property, moral and property rights of copyright holders.

Prevention of corruption and conflicts of interest

The Code of Conduct and ESG Best Practices for PZU Group's Supplier deals with the prevention of corruption and conflicts of interest. Suppliers are also obliged to act in this regard by prohibiting the giving or offering of undue benefits to anyone in exchange for a specific action or failure to do so. A Supplier that respects the Code avoids and prevents situations conducive to the emergence of conflicts of interest, both in the process of applying for cooperation with the PZU Group and during the subsequent course of cooperation.

Corruption risk assessment is a constant part of the procurement process. Each potential supplier is subject to corruption risk assessment on the basis of a pertinent risk assessment questionnaire. In addition, in accordance with the Anti-Corruption Program of PZU SA and PZU Życie, each cooperation agreement between PZU and a business partner should comprise anti-corruption clauses. One of the clauses is a confirmation of acceptance of the anti-corruption standards prevailing in PZU by the supplier. In accordance with the internal procedures, entities cooperating with PZU and PZU Życie are informed about the Anti-Corruption Program in place in the company.

In every procurement process, PZU employees who are members of procurement teams are informed about the Rules for managing conflicts of interest, the Anti-Corruption Program, and the need to report to the relevant PZU units when the possibility of a conflict of interest is identified.

Notwithstanding the above, the senior management involved in the purchasing process makes representations regarding business and personal relations with the supplier recommended in a given procurement procedure.

Supplier audits with ESG elements

The Supplier Audit Team administers business audits on suppliers who have concluded an agreement with PZU or PZU Życie or with both companies and on the PZU Group's prospective business partners. Supplier audits are carried out in compliance with specific priorities and criteria.

Types of supplier audits:

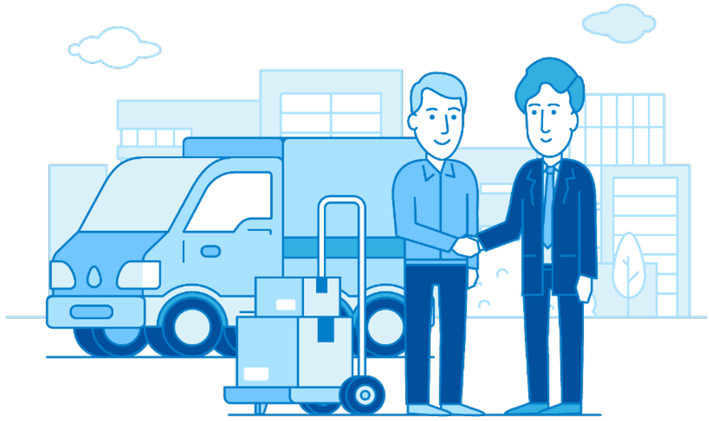
- **periodic** – their purpose is to regularly check suppliers with which PZU Group cooperates. They are conducted according to a predetermined plan;
- **ad hoc audits** – they are done under order, e.g. in a situation in which a given supplier needs to be checked urgently on account of problems encountered during collaboration or as part of checking a new supplier.

A supplier audit may be conducted in a fundamental scope. In that case it encompasses a diagnosis of the supplier utilizing information from inside and outside the organization, a remote audit using an abbreviated audit form filled out by the supplier and the entire process is wrapped up by drafting a final report and a possible list of recommendations. An extended audit includes an on-site audit in the supplier's premises. The full audit form filled out on site or directly after the visit is utilized in this type of audit. A representative of the substantive unit may also participate in an extended audit. In both cases, the subject matter of the audit covers, among other issues, topics related to data protection, including personal data protection and environmental protection in the context of waste management. Since 2022, the audits also have covered topics related to human rights, employee rights and environmental protection in terms of energy management, water management and production management.

The ESG area has been mandatory as part of supplier audits since 2023. Appropriate audit recommendations may be made if a supplier is found to commit serious violations or fails to comply with required standards of respecting human rights or the environment. Based on these standards, a mitigation plan for the risks as identified may be prepared, implemented and monitored.

Code of Conduct and ESG Best Practices for PZU Group's Suppliers

https://www.pzu.pl/grupa-pzu/o-nas/kultura-compliance-pzu/kodeks-csr



PZU Group's network of repair shops

The PZU Group maintains the largest network of auto body and paint shops in Poland, providing comprehensive motor vehicle damage services. The network is managed by PZU Pomoc, which is responsible for its development, supervision and negotiation of cooperation terms. The repair shops operate under B2B contracts and include both authorized dealer service centers and independent repair shops.

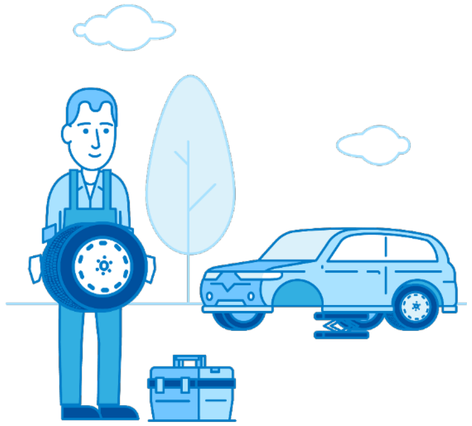
At the end of 2025, the network included about 900 entities in 1,400 locations, providing high coverage of the territory of Poland. About 80% of the shops are authorized service centers, guaranteeing repairs in compliance with manufacturers' standards, including the use of original parts. The rest are independent shops, which allow for optimization of repair costs while maintaining the required quality standards.

A total of 75–80% of the motor vehicle claims handled by PZU are dealt with in its own network. The network of repair shops remains a key component of the PZU Group's strategy for efficient claims handling and ensuring a high level of customer satisfaction.

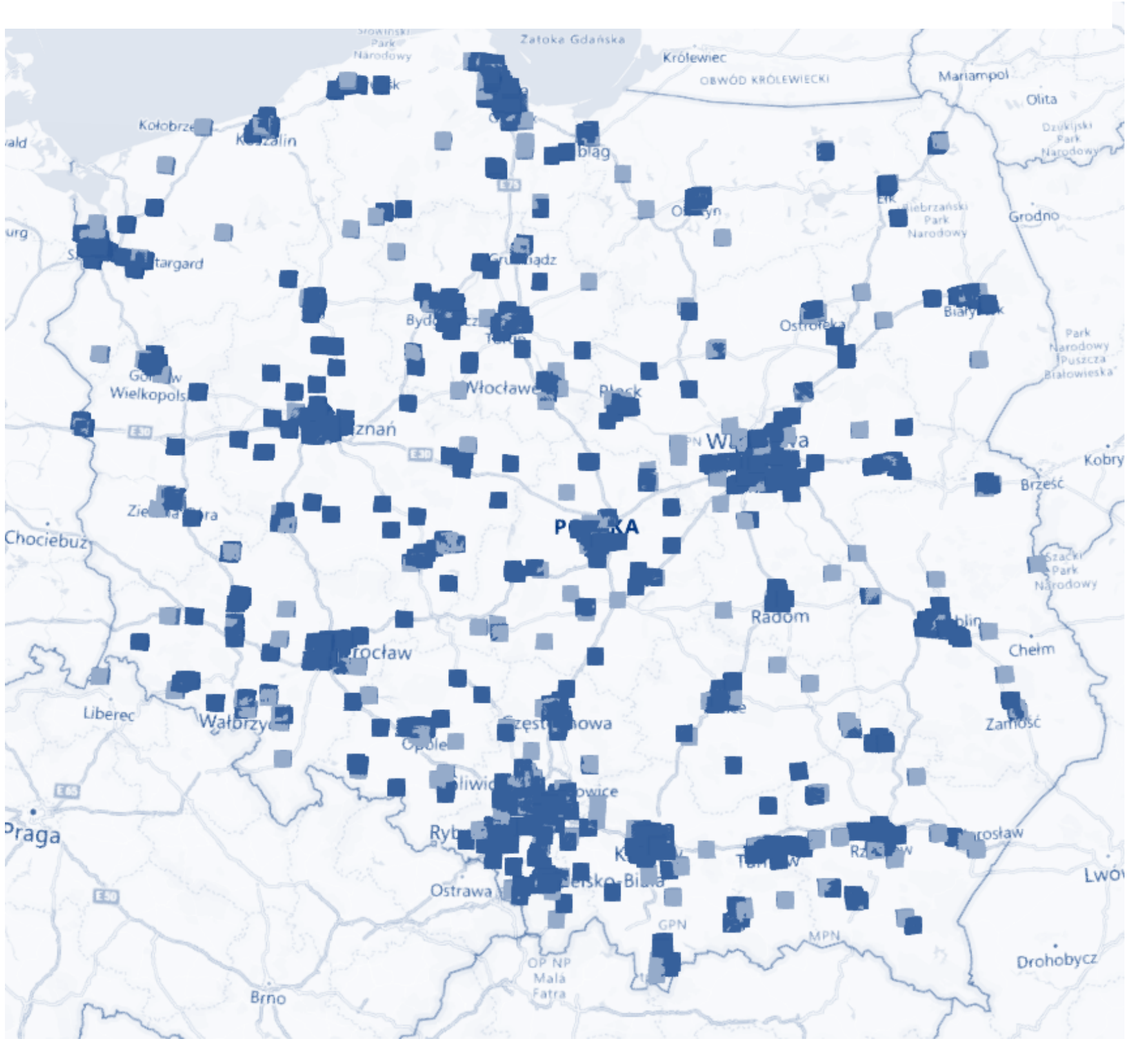
There is a preferred group within the network, comprising about 300 facilities that perform about 20% of all repairs. These repair shops are covered by extended terms of cooperation, guarantee the highest quality standards and cost optimization, and receive a higher volume of orders from PZU. The network structure is diversified – despite the important role of large dealer groups, the PZU Group is not dependent on a single supplier, which minimizes concentration risk and ensures operational stability.

The PZU Group is actively shaping service and repair quality standards in the network. Before cooperation is established, each shop undergoes a verification process that includes an evaluation of equipment, procedures and customer service conditions. Technical and process guidelines are implemented under the contracts, with PZU Assistance conducting regular (both scheduled and unannounced) inspections, as well as quality audits. Several hundred inspections were carried out in 2025, keeping the irregularities in the own network at the low level of few per cents.

An important element of the quality system is the Repair Quality Certificate, which is issued by the repair shops operating in the network. This document confirms the compliance of the repair with the PZU Group's standards and is the basis for handling potential complaints. If the customers has any objections, PZU Pomoc acts as an arbitrator, ensuring that the repair is rectified at the same or another repair shop, which reinforces trust and transparency in the process.



Network of repair shops (2025)



Preferred network Other locations

2.4. Operating activities

2.4.1. Insurance

PZU Group offers non-life insurance in Poland under three brands: PZU, the traditional and most well-known brand; LINK4, associated with the direct sales channel; and TUW PZUW, i.e., the mutual insurance company. Life insurance is sold in Poland under the PZU Życie brand.
Outside of Poland, the PZU Group sells insurance products under the PZU brand (in Estonia, Ukraine), as Lietuvos Draudimas (in Lithuania) and as BALTA (in Latvia).

Major companies and areas of insurance business:



PZU

Mass insurance

As the Group's parent company, PZU offers an extensive array of non-life insurance products, including motor, property, casualty, agricultural and third-party liability insurance. Motor insurance was the most important group of products at the end of 2025, just like in previous years.

Responding to changes in the market environment, PZU developed and modified its offerings in 2025 to address customer needs by implementing new products and innovative solutions.
In the **mass insurance** segment, PZU:

- changing **PZU Uprawy** (crop insurance) insurance offer, i.e.:
- meeting formal obligations by:
  - expanding the catalog of subsidized crops co-financed by the state budget, including sunflower, phacelia, flax, hemp, leguminous fodder plants, herb and mustard;
  - introducing provisions on deductible for fruit crops from trees or bushes and for strawberries up to 35% of the sum insured;
  - changing the applicability period for the spring frost risk from April 15 to April 1;
  - improving product competitiveness by:
    - expanding insurance coverage for legume crops by adding protection for fire risk at seed maturity;
    - expanding coverage to include partial damage to nursery crops;
    - adding a provision to determine the sum insured for straw that is in the field in the period of 14 days after harvesting;
    - reducing the minimum plant density for winter rye and winter barley accepted for insurance against the risk of negative overwintering effects;
    - reducing the minimum plant density for winter wheat and winter rye to qualify damage caused by the risk of negative overwintering effects;
  - clarifying the provisions on the damage area by:
    - clarifying the definition of total damage in the scope of insurance of vegetables and ornamental plants;
    - adding time bands which depend on the date of sowing/planting ground vegetables and the value of the maximum percentage of damage for these time bands (in the scope of total damage caused to ground vegetable crops);
- extending the **PZU DOM** (house insurance) insurance offer through a comprehensive modification of insurance coverage, implementation of new tariff principles and launch of new sales pathways; the most important changes include:
  - changing the scope of coverage by:
    - leaving one insurance option in the "all-risk" formula;
    - including basic insurance coverage for breakage;
    - including burglary in the basic coverage of property insurance;
    - extending coverage to include failure of a photovoltaic installation and heat pump;
    - extending the coverage for pets (under household movable property insurance) beyond the insured location;

- expanding the coverage of private TPL insurance to include coverage that was available in additional clauses, e.g. leased property, and to cover events related to the insured's ownership of all real estate in Poland;
- insuring fixed elements at new value;
- increasing the age for a single-family house of non-combustible construction to 50 years for new value;

○ implementing new sales pathways, including the introduction of new insurance proposal and policy templates, as well as the addition of new questions and estimated real estate value for apartments and single-family houses, so that the offer and sum insured are better tailored to the customer's needs and the actual value of the real estate.

Additionally, in the second half of 2025:

- a number of definitions were simplified and clarified regarding the furnishings of the estate and the fixed elements of non-residential buildings. Portable medical equipment was also added to household movable property;
- the PZU DOM product was made widely available for sale at Bank Pekao;
- a new special **PZU Rowerzysta** (bicycle insurance) offer was introduced. Among other things, the policy provides support in case of accidents and burglary and theft of the bicycle. The basis of the PZU Rowerzysta product is ADD insurance. In the event of an accident while using a bicycle, it provides financial support, such as benefits for permanent injury, hospital allowance or reimbursement for additional medical treatment. The policy will also provide the client with access to assistance services in Poland. A bicycle can also be insured against burglary, such as from a single-family home or a cart. The sum insured is up to PLN 30 000. With a MOD insurance for bicycles, a client can also receive compensation for damage, destruction or loss of a bicycle caused by a fortuitous event (e.g. flood, fire, rescue operation), accident or robbery. The offer is available in the digital channel as well as at PZU branches and PZU agents;

- refreshing the **PZU Wojażer** offer:

  - extending one of the assistance services – Basic Package; the service "Transportation of the insured's body to the place of burial" will be provided regardless of the cause of the insured's death (up to the sum insured for medical expenses and assistance insurance: Basic Package); until now, this service was provided only in the event of the insured person's death as a result of an accident or sudden illness;

  - introducing a ban on the sale of PZU Wojażer insurance for travel to the Russian Federation and Belarus due to the international sanctions imposed on these states and possible difficulties in the provision of medical and assistance services;

  - providing a new way to contact the PZU Assistance Center to arrange medical assistance; currently, the customer can contact the PZU Assistance Center in two ways: by phone or by selecting the new option: Wojażer – Ask for Assistance on the website:

  https://porozmawiaj.video.pzu.pl/video/pzu/,

  where they will connect with a consultant after a few steps; it's a convenient and often free form of contact (e.g. via Wi-Fi) based on mobile data transfer, especially useful in countries with high costs of telephone communications.

  Additionally, changes in the second half of 2025 included:

  - the limit for dental treatment costs was increased (PLN 2 thousand);
  - the limit for treatment related to pregnancy and childbirth up to the 32nd week was lifted;
  - ocean sailing was singled out in the catalog of high-risk sports;

- developing the offer of voluntary **general TPL** insurance, including expansion of the territorial scope of the policy, making the basic coverage more flexible and introducing coverage for intentional damage. Changes to the product also include an expansion of basic territorial coverage. It currently covers 30 countries – the territory of the European Union, Switzerland, Norway and Iceland. The new insurance release provides liability coverage for individuals, legal entities, business and non-business owners of property (e.g., owners of townhouses) and non-corporate entities such as general partnerships and limited partnerships. With the modification of general TPL, they can take advantage of the extended basic coverage, including liability for: business and property owned, the product marketed, tenant of the real estate and tenant of the movable property.

- making the range of insurance offered to small and medium-sized enterprises more attractive, including: refreshing the **PZU Doradca, PZU dla wspólnot i spółdzielni oraz Towarzystw Budownictwa Społecznego** general liability products. Consistent changes in the basic coverage across the three products allow the offer to be tailored to the individual client's needs by being able to exclude product TPL or property tenant TPL from the basic coverage. The basic territorial coverage includes the insured's TPL for damages arising in the territory of the countries of the European Union, Switzerland, Norway and Iceland. Included in the basic TPL insurance coverage is liability for damages for which the insured is liable, including, but not limited to:
  - those arising from the transmission of infectious diseases including HIV, COVID 19;
  - those related to the administration or management of roads;
  - those resulting from the provision of maintenance services, cleaning of roads and roadside lanes, sidewalks, squares and parking lots;
  - those caused to things brought in by hotel guests in connection with the liability of maintaining hotels and similar establishments;

Corporate insurance

Within **corporate insurance**, most changes which PZU focused on, involved making the offering more appealing for fleet clients and leasing companies, and continuously making cooperation with intermediaries more effective.

Major new products included:

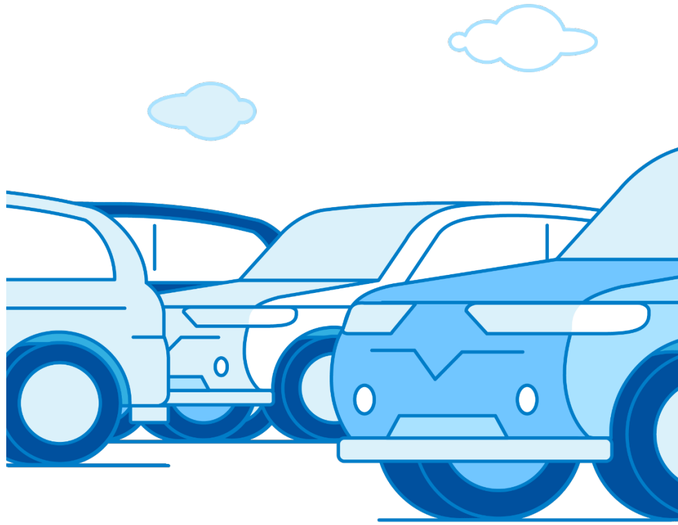
- further development of **pricing models for small and medium-sized fleets** (up to 70 vehicles) through the use of further pricing variables and even better price-risk matching in the fleet insurance segment;
- introduction of **professional liability insurance for technology activities**. The product is aimed at entrepreneurs in the information technology industry, especially those performing activities related to software and IT consulting. The subject of insurance is professional liability, i.e.: violations concerning technological and professional services or technological products;
- making the offer of **general TPL insurance for businesses** more attractive by expanding the coverage in the basic variant and introducing additional clauses dedicated to selected types of business activity. At the same time, the tariff was refreshed to better match the insured risk;
- further development and popularization of the **Ryzyko PRO** program, including for smaller clients.
- developing the platform https://mojafirma.pzu.pl

- **mojaFirma.pzu.pl platform** is becoming a strategic tool for institutional clients and their representative – brokers, enabling the comprehensive preparation of offers fully online, without unnecessary formalities, with 24/7 access and automatic risk assessment. Other insurance products were added to the previously implemented CARGO product, including CYBER insurance aimed at companies with revenues of up to PLN 100 million, with maximum coverage options of up to PLN 5 million in sum insured, TPL for drone operators, which is a new mandatory insurance introduced in 2025, and D&O insurance for smaller companies, covering companies with revenues of up to PLN 100 million, with sum insured of up to PLN 10 million.

In the area of **financial insurance**, PZU actively supports initiatives that help Polish companies grow while also benefiting the environment and helping to mitigate the adverse effects of climate change. Insurance guarantees provided by PZU are one of the instruments through which PZU supports clients and business partners by securing the performance of contracts in key areas such as energy, construction, and scientific and innovative activities. There is also ongoing cooperation with financial institutions and companies representing the defense industry.

In 1H2025, PZU implemented a simplified process for selling small guarantees, and in 4Q2025 started works on preparing an automated assessment pathway for customers applying for a low-amount exposure limit in the insurance guarantees product.

At the same time, PZU continued its cooperation with leasing companies for GAP financial loss insurance. In terms of mortgage payment insurance, it entered into an insurance contract with a new bank and continued cooperation with existing partners (including banks in the PZU Group). In order to mitigate emerging risks, PZU conducts constant monitoring of the portfolio and the impact of the geopolitical situation on the portfolio. On an ongoing basis, it is taking measures to mitigate emerging risks.



PZU Życie

Within the PZU Group, PZU Życie operates on the Polish life insurance market. The company offers an extensive range of life insurance products, which for management purposes are reported and analyzed broken down into the following four segments:

- group and individually continued insurance;
- individual insurance;
- investment insurance;
- investment contracts.

PZU Życie, as a popular and the largest insurer on the Polish market, continuously expands its offering by adding new products or modifying existing ones to protect its customers at each stage of their lives. The unique synergy of competences within the PZU Group (insurer, medical operator, investment manager) allows the company to comprehensively take care of life, health and savings of its clients, providing them with the broadest possible support in accordance with their expectations and needs. The changes concern not only the product but also its modernization and simplification of the way in which insurance is offered and sold. The changes incorporate the new requirements introduced by the regulatory authority and the increasing legal protection of consumers.

Group and individually continued insurance

Activities of PZU Życie under **group, individually continued and health insurance included:**

- introducing new flexible terms with broader coverage and options in **PZU na Życie Plus** insurance. Changes to the product include no grace period for basic insurance and the ability to add additional packages (e.g., oncology, accident) and insurance for loved ones (spouse, children) under the same conditions;
- providing new service and sales functionalities that allow clients to modify their insurance much more easily, without having the need for contract renewals or filling out an accession declaration;
- expanding the coverage in group offerings for SMEs and extending the special offering in **PZU Pod Dobrą Opieką** insurance to the food service industry. The product is available in “PZU Ochrona i Zdrowie” and “PZU Życie Pod Ochroną” variants. The new solution for the SME segment expands benefits for selected industries (food service, in addition to the existing special offer for transportation and services), increasing the attractiveness of our offering. Group insurance for the SME sector at PZU remains a key component of the coverage system, providing access to life insurance and medical care in a “combined” formula (one policy and one premium);
- increasing the appeal of our offering for individual customers leaving group insurance, including with the introduction of additional insurance to individually continued insurance **Support in the event of hospital treatment due to an accident**. Thanks to our insurance, our clients can receive financial support to help cover the cost of treatment, rehabilitation, care or other ongoing needs to get their health back and be able to work again faster. PZU’s comprehensive proposition makes it possible to build a full customer coverage path throughout the entire period in which the consequences of an accident are being mitigated (accident insurance): from the benefit for the insured hospital stay, through the stay in the hospital rehabilitation ward, the benefit for the insured ICU stay and surgery, the benefit in the form of a pharmacy card, up to the reimbursement of medical expenses incurred due to the insured accident. The coverage applies worldwide and around the clock.

Individual protection insurance and protection and unit-linked insurance

PZU Życie’s efforts in the area of **individual protection insurance and protection and unit-linked insurance**:

- development of **the PZU Perspektywa na przyszłość** insurance offer in the conservative variant by increasing the maximum age of the insured from 70 to 72 and reducing the minimum insurance period from 5 to 3 years;
- making the offer of **PZU Ochrona Każdego Dnia** term life insurance more attractive by better matching the premium to the risk of specific client groups, which translates into the ability to choose a higher level of insurance coverage for the same price;
- making available for sale at PZU branches a lifetime package insurance under the **PZU Pakiet na Życie i Zdrowie** product with people in the “silver economy” generation in mind. The new offering is an expanded scope of protection while tailoring the solution to the needs of this client group;
- introducing new additional insurance for treatment abroad, **Leczenie za granicą**, for both adults and children. The insurance covers the arrangement of treatment and costs, including personalized therapies that may not be available in Poland, up to €2 million. For malignant tumors eligible for personalized therapy, in both variants offered by PZU (Standard and Premium), coverage additionally includes molecular profiling and results analysis, medical care in line with recommendations of personalized therapy experts, and services to support further treatment options. PZU Życie has introduced a solution available

in two variants and with expanded coverage, giving customers greater product availability. The insurance is offered to customers between 18 and 64 years of age who have individual basic life insurance with PZU or who are taking out one of the following insurances: PZU Perspektywa na Przyszłość, PZU Wsparcie Najbliższych, PZU Ochrona Każdego Dnia;

- engaging in efforts to change the current premium payment model in insurance linked to cash loans offered by PZU Group banks. A key element of this effort is the shift from a single insurance premium to a regular premium model, payable monthly. This solution contributes to the PZU Group's resilience to fluctuations in the credit market. The process of adjusting the product offering at Alior Bank has been completed – the new regular premium life insurance product was implemented in May 2025. A similar product change was implemented at Bank Pekao SA in the second half of the year;
- expanding the offer of insurance with a guaranteed sum insured, PZU Pewny Profit and PZU Bezpieczne Jutro, offered in cooperation with PZU Group banks, to include additional insurance periods of 4 and 5 years (for the PZU Pewny Profit product) and 4 years (for PZU Bezpieczne Jutro). Sales with additional insurance periods in the banking channel began in November 2025 and will begin in February 2026 for Branches.

LINK4

As a pioneer of the Direct model, LINK4 remains one of the most recognizable insurance brands in Poland, dynamically developing cooperation with multiagencies, comparison websites, banks and strategic partners. For 23 years, LINK4 has consistently been simplifying the world of insurance, building its position based on three key values: **Customer, Respect and Mastery**.

LINK4's offer includes a comprehensive set of non-life insurance products, including motor, home, travel, health and liability insurance, responding to customers' need for security in every sphere of life.

In 2025, LINK4 continued the marketing strategy implemented in 2024, based on a redefined brand positioning. The modern design and a clear message, as the research confirmed, enriched the company's image with values such as **maturity and responsibility**, while reinforcing the perception of innovation. This is a solid foundation for communication and sales of voluntary insurance.

At the beginning of 2025, LINK4 launched a nationwide program called **Doceniamy Dobrych Kierowców**, which aims to promote responsible behavior behind the wheel. The initiative has already been joined by **11,858 drivers** who have driven a total of more than **10 million kilometers**. Participants improved their compliance with the law by an average of **6%**, with ratings rising to **86.02%** in subsequent editions of the program.

In H1 2025, LINK4 focused on adapting its offerings to the changing needs of clients and partners. The most important change was the expansion of coverage and increase in sums insured in the Podróże product, which went on sale in its new version in June 2025. In the **underwriting** area, the company has been intensively developing solutions to counter insurance fraud, making increasing use of **machine learning** in risk analysis and pricing. H2 2025 was a period of intensive LINK4 activities aimed at developing and improving its product offering, including:

- the development of the **Podróże** travel insurance offering by extending coverage to include chronic diseases, and increasing sums insured in medical expenses and private TPL insurance. The new offer is available from June 2025;
- the improvement of the **Twoje Auto i Twoja Mini Flota** offerings by integrating MOD insurance with supplemental insurance, to make one convenient product; increasing the limits (i.a., in **Szyby 24** i **Kluczyki Plus**) and expanding the SmartCasco coverage. The new offer is available from June 2025;
- refreshing the **home and apartment** insurance offerings through a major product overhaul, with update coverage, definitions, limits and sums insured. Autumn novelties included coverage against vandalism by a third party committing the act in the insured's apartment, while being there with the insured's consent, (insurer liable for damage up to PLN 10,000) or theft of movable property from a balcony, a garden belonging as property to the apartment, or from the land on which the insured's single-family house is located. **DOM** insurance allows a great deal of flexibility, so coverage can be tailored to the customers' needs. In addition, the scope of the Housing Assistance was clarified and expanded (implementation in January 2026).

The year 2025 also saw strong sales growth through efficiency gains and new partnerships, including:

- implementation of LINK4's offerings into **Lendi**'s mortgage calculator in Q4 2025;
- introduction of the **New Agent Zone**, a tool that becomes the central module of agents' work, allowing fast and efficient customer service without unnecessary paperwork or downtime;
- the launch of **the Sales Academy**, a program that supports the development of the competencies of our Agents and builds an effective, loyal sales network

In 2025, LINK4 won numerous prestigious awards, including:

- **Performance Marketing Diamonds EU 2025** (with agency iProspect) for the most challenging performance campaign;
- **Investor in Human Capital** which is a confirmation of the high level of employee commitment;
- **first place in UFG's ranking** for data quality (95.72%) – in the category of companies reporting between 250,000 and 2 million records;
- **PIU badges "For meritorious service to insurance**" for three managers for their contribution to market development and insurance education;
- **second place in the NATO Locked Shields cyber defense exercise** for the LINK4 and PZU team honored in the world's most advanced cyber security exercise.

TUW PZUW

Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (TUW PZUW) is a leader in the mutual insurance market and one of the most dynamically growing insurance companies in Poland. It provides insurance cover that focuses on cooperation with large corporate entities, medical centers (hospitals and clinics), church entities and local government units. TUW PZUW is an active participant in the dynamic transformation of the economy, securing key infrastructure investments made in Poland.

For TUW PZUW, 2025 brought dynamic development and consolidation of its position as leader in the area of insurance for strategic sectors of the Polish economy. TUW PZUW continued its activities in support of energy transition, critical infrastructure protection and the development of offerings for local government units and the health sector. The result of these activities is the fact that TUW PZUW has kept its strong position on the mutual insurance market in Poland. As at the end of Q3 2025, TUW PZUW held a 44% share in the market of Section II mutual insurance companies (non-life insurance sector), guaranteeing first place among all such companies and ninth place in the overall market for non-life insurance.

Nearly half of TUW PZUW's gross written premium portfolio is made up of insurance for entities in the energy sector, for both conventional and renewable sources. The company insures photovoltaic farms, biogas plants, hydroelectric power plants, onshore and offshore wind farms, among others. Of particular importance are investments related to the energy transition, such as the nuclear power plant, or the construction of railway or airplane infrastructure.

As in the previous years, what distinguishes and is the market advantage of TUW PZUW is the care taken to minimize risk and extensive assistance in this respect. This brings tangible financial benefits to the mutual insured, who receive a portion of the premium back if the number and size of damages are small. **The basis of TUW PZUW's business is the idea of reciprocity**.

Key activities implemented in 2025:

- **TUW PZUW at the forefront of Poland's first nuclear pool**
  Q1 2025 saw beginnings of a national nuclear pool – a solution co-created by TUW PZUW and other insurance companies to create a common protection mechanism for Polish nuclear projects. This is another step toward integrating insurance into the state's energy security policy. The nuclear power project is one of the most important projects for Poland's future – both in terms of energy security and technological development based on the idea of reciprocity, a deep understanding of risks, and responsibility for strategic sectors of the economy.

- **Joint activities for the modernization of the Polish energy sector, RES energy management and storage – agreement with Energa and PZU Lab**
  In Q2 2025, TUW PZUW, PZU Lab and Energa signed a cooperation agreement to work together to modernize and develop Poland's energy sector, with a focus on RES energy management and energy storage. The agreement is intended to support Poland's energy transition, which is one of the most important economic challenges of the coming decades. The partners want to jointly create solutions that will increase energy security, reduce costs and accelerate the development of modern energy.

- **Program for municipalities at risk of flooding**
  The program was developed in response to the increasing difficulty that the local governments were having in obtaining coverage for flood risk, taking into account the flood risk limit and support in assessing investment risks. This arrangement is in line with TUW PZUW's mission as a community insurer that works not only to protect assets, but also to strengthen the resilience of local communities;

- **Development of health insurance and offerings for medical entities**
  The "Opieka Medyczna" program, which remains one of the key elements of the health offerings for employers and their employees (as do the health promotion programs under the "Medycyna pracy" occupational medicine insurance), is being continuously expanded. In 2025, the offering was expanded to include, among other things, drug insurance, which allows employees to receive high subsidies for the purchase of medicines;
  TUW PZUW provides support in the management of adverse events and continues its highly acclaimed proactive claims handling program through the development of the **"Szpital 360" project** with patient satisfaction surveys.

- **Further development of affinity insurance**
  In an era of increasing digitization and rising client expectations, affinity insurance is gaining importance as a form of personalized protection that is available exactly where it is needed most – often at non-obvious times and places. TUW PZUW's offer in this area was designed for clients in the energy and gas distribution sector, and it is steadily growing in popularity, responding to the needs of an increasingly wide range of clients.

- **Significant contribution to the coverage of projects of key importance for sustainable development and the future of the Polish economy**
TUW PZUW has provided comprehensive coverage for Elemental Strategic Metals, a lithium-ion battery and catalyst recycling plant built as part of Poland's largest greenfield investment in 2025. The project goes in line with the EU's goals of developing a circular economy and securing access to critical raw materials, making it crucial to the EU's energy transition and raw material security. Coverage, based on EIB wording developed for the customer, includes, among other things, all-risk property insurance, including, among others, the plant's fixed assets, the energy storage facility and the photovoltaic power plant. The program saw the implementation of a system of global sums insured for property damage (PD), dedicated to industrial facilities located at a single site. This solution simplifies the loss adjustment process, with compensation paid at replacement value within a single total sum insured, without the need to separate assets.

Foreign companies

Lietuvos Draudimas is the largest and the most experienced insurer, the leader of the Lithuanian insurance market and the largest insurance company in the Baltic Countries. The people of Lithuania have each year recognized Lietuvos Draudimas as the most trusted brand in the insurance sector. The brand is known to 90% of Lithuanian residents (Brand Survey 2024, KOG Institute). The Verslo žinios daily put Lietuvos Draudimas second among leaders in the financial sector and third among the top 500 Lithuanian business leaders (in 2024). By the end of 2025, Lietuvos Draudimas was operating in more than 80 branches across Lithuania, in both large cities and smaller towns, as well as through an online store. A professional customer service center and an electronic self-service website are available, where customers can conveniently report claims and handle other insurance-related matters.

Since the beginning of 2025, the company has consistently continued to support the pursuit of stable growth, applying the principles of sustainable and safe lifestyles to both business activity and organizational culture. Lietuvos Draudimas has sought to ensure a secure future for its customers by listening to their needs, providing reliable and innovative solutions, and building long-term trust. The main goal was not only to provide the highest quality services, but also to be a trusted partner, supporting customers in making informed decisions. Cooperation with partners supporting sustainable development has also been strengthened.

Key initiatives supporting core business operations include:

- the launch of the first synergy between the insurances offered by Lietuvos Draudimas and PZU Litwa Życie, under which a client buying non-life insurance can receive additional life insurance protection. It is an innovative solution on the Lithuanian non-life insurance market;
- pursuing the Power project which delivers significant revenue and profit growth through the implementation of next-generation pricing methods, more accurate segmentation and risk selection at the customer level, and optimization of the risk assessment process;
- strengthening cooperation with car service providers, providing MTPL and MOD insurance customers with higher quality service and more convenient service, with a new digital claims processing platform launched at the end of 2025, available to selected repair shops, enabling the exchange of insurance data and faster claims processing;
- planning for the development of business analytics capabilities – supported by the new Flow project which uncovers new potential areas to test and redefine – with three pilot projects implemented, providing valuable insights into the differences between the needs and behaviors of different customer segments in the market;
- ensuring digital accessibility on all digital platforms: website, self-service, e-commerce and mobile app. Two new self-service innovations were offered: the ability for mass clients to upload photographs of their real estate themselves, and the ability to purchase MTPL through an automated cross-selling process;
- developing www.savasld.lt, a self-service portal allowing the online reporting of claims – the system allows the submission of essential documents and photos, as well as the use of remote inspection tools for damage assessment supporting the valuation (especially for claims under motor and property insurance) and automatic claims payments. All documents and the history of the claims service process are stored in the Saperion filing system;
- streamlining the process of claims handling and payment process as regards motor, accident, health and property insurance – the payment is processed automatically after the customer confirms in the self-service portal www.savasld.lt that they agree to have the insurance benefit calculated by the loss adjuster paid to them;
- continuing the active management of auto claims with a high probability of cash settlement – introducing predictive modeling to increase detection of fraudulent cases;

PZU Litwa Życie operates in a highly competitive market with seven other life insurance companies. The company ranks third in the life insurance market in terms of aided awareness.

To support business operations:

- it implemented a project to transition into an asset management system; the selection and migration process was structured, and a new manager was selected based on past performance, cost efficiency and a transparent investment process;
- it launched an initiative to analyze market trends, the level of competition, customer expectations and the demand in the area of retirement solutions, and to identify potential benefits for portfolio development;
- in order to strengthen brand awareness, it has launched work on positioning the www.pzu.lt website. These include headline optimization, link management, content creation, external link building and also publishing articles on news portals.
- it launched a project involving cooperation with Lietuvos Draudimas on digital sales, and since November PZU Litwa Życie products have been positioned on the Lietuvos Draudimas self-service platform;
- it has continued improving the functionality of the self-service system, with the focus on optimizing administrative processes and on changes to improve customer service.

AAS BALTA is a leading provider of non-life insurance in Latvia. For more than three decades, BALTA has consistently delivered value, built customer trust and adapted to emerging trends, maintaining its leadership status in terms of volume, customer recognition and brand reputation. Of all the insurance entities in the market, BALTA has the strongest brand recognition, and also maintains the top position in first-choice preferences, which strengthens the company's dominant position in the market and allows it to build an extensive customer base. BALTA's commitment to sustainability is evident in its responsible business practices and active support for local communities. In 2025, an ESG strategy for 2025–2030 was adopted, setting the direction in which the company will lead on environmental, social and corporate governance issues.

In support of business activities:

- in response to a growing number of scams (fake investment platforms, romance scams, text messages with links triggering payments to scammers), it developed a digital risk insurance product to protect customers if they lose money due to fraud;
- it strengthened its leadership position in the third party liability insurance market with a newly developed D&O insurance product;
- as part of social responsibility activities, it introduced the "Safe from Day One" dedicated to parents who want to insure their newborns against accidents free of charge for the first year and receive discounts for subsequent years, and it continued the "Crazy Safe Summer" campaign, providing free insurance against accidents during the summer for more than 26,000 children in Latvia, including children from Ukraine;
- it carried out work to streamline the claims handling process, with a prompt payment process fully implemented in the area of health insurance for cases handled automatically, and it expanded the automation process for handling MOD insurance claims;
- in June, it launched a campaign to promote sustainable solutions in the event of damage to a car windshield – repairing it instead of replacing it with a new one – and the results of the campaign indicated a significant increase in windshield repair rates;
- it optimized the functionality of self-service platforms and mobile applications for clients to ensure that products and services are available to as broad an audience as possible;
- it revised its Sustainable Development Policy to clearly define priority areas based on the UN Sustainable Development Goals and clarify the basic principles of sustainable development. These include not only ethical business practices and responsibility to the climate and environment, but also responsible risk management, social safety, well-being and development, and creating positive experiences for employees and clients.

Lietuvos Draudimas' Estonian branch was operating in 2025 under conditions significantly different from before due to the transformation of the local insurance market. Of key importance was the introduction of a new tax on purchased cars, which changed the dynamics of vehicle sales and consequently affected the structure of the motor insurance portfolio. In addition, a decline in rates was observed in this segment, forcing an adjustment in the pricing strategy and a focus on operational efficiency and diversification of offerings.

The company focused on product development and attracting new customers:

- since January, policies have ceased to be e-mailed to clients after they have been purchased from the online store; instead, clients are redirected to download documents from the self-service portal;
- in order to increase motor insurance sales, promotional campaigns were implemented in e-stores of PZU ("PZU E-Store") and SEB;
- work has been completed on a new MTPL+ insurance product for older cars and small vans, which can be purchased through online channels (PZU e-store and SEB e-store). The MTPL+ package covers three additional insurances – road accident, collision with a large wild animal and PZU roadside assistance. Vehicle owners thus have the opportunity to purchase additional MOD insurance to their MTPL insurance;
- in November 2024, the law requiring compulsory medical malpractice professional indemnity insurance (MedMal) for medical providers came into force, and PZU Estonia was the only insurance distributor in this market; in 2025, the product was optimized, and in addition, the renewal process was fully automated;

- work continued on the integration of CABAS (tool used to estimate costs of damage repaired under motor insurance claims) and TIA (the underlying production software) tools, so that claims valued in CABAS can be automatically validated. The system is expected to be operational in 2026.

PZU Ukraine continued to operate in the insurance market despite the ongoing armed conflict. In 2025, work was carried out to update its insurance products to comply with the requirements of new insurance regulations. Measures were implemented, based on analysis of tariff adequacy results and market conditions, to improve profitability:

- insurance terms and tariff creation rules for the MTPL product were updated, technical assistance service was canceled, and a portfolio analysis was conducted to identify unprofitable fleets;
- pricing in travel insurance was updated, and commission levels were modified;
- a number of changes have been made to health insurance: to the general terms and conditions of insurance and the procedures for providing services to insured persons;
- a new online store was successfully launched at the start of Q2, ensuring continuity of client service during the transition from the previous store to the new one;
- cooperation with brokers was expanded in the areas of comprehensive property insurance, cargo and car transport insurance, and the maintenance of the medical insurance portfolio;
- advertising campaigns were carried out for car dealers to increase awareness of the PZU Ukraine brand among the largest dealers in the market.

In addition, timely configuration of Cisco Firewall and WAF web applications is being carried out, and appropriate changes are being made to cyber defense processes, as required by the Security Service of Ukraine.

In 2025, **PZU Ukraina Życie** continued to provide life insurance services, ensuring the conclusion of new insurance contracts in all sales channels as well as the support and maintenance of the existing portfolio, including the constraints related to the armed conflict, as well as the support and servicing of the existing portfolio

In 2025, the company intensified its new business policy: insurance underwriting was expanded, maximum sums insured were raised across all sales channels, and two new endowment products dedicated to the corporate sales channel were introduced.

As part of business operations in 2025, PZU Ukraina Życie:

- provided high-quality service to the existing portfolio of insurance contracts, timely and full payout of claims and redemption amounts, and continuity of contact center services;
- completed the implementation of exclusively alternative, paperless communication methods with customers across all sales channels, using e-mail, User Account, Viber, Contact Center and website inquiries;
- the option to send clients messages via the Viber messenger was introduced, including a personalized link to pay the insurance premium through the Easy Pay service, for agency and brokerage sales channels;
- insurance application forms were updated, and templates of both standard and indexed insurance certificates were refined and implemented for agency and brokerage sales channels, while work continued on preparing the necessary templates of insurance agreements for the corporate sales channel.

2.4.2. Health care

Activity and product offering

PZU Zdrowie is one of the largest nationwide medical operators. The PZU Zdrowie medical network has approximately **130 own centers**, including diagnostic imaging labs, and **over 4,000 partner centers in 650 cities in Poland.** It has its own 24/7 medical hotline, mojePZU patient portal and Telemedicine Center. It provides healthcare in the form of insurance and subscriptions for companies and individual clients. PZU Zdrowie medical centers are also available to patients who do not have PZU packages. The Health Area consists of the PZU Życie medical operator business and health insurance. It is an integral part of the PZU Group's business model and represents one of its most important areas of growth.

PZU Zdrowie's medical operator activities include:

- **handling health products** in the form of insurance (life and health insurance and non-life and other personal health insurance – products of PZU, PZU Życie and TUW PZUW);
- **selling and providing service for non-insurance products** (occupational medicine, group and individual medical care subscriptions, partnerships and prevention programs, individual medical consultations);
- **building its own medical infrastructure** of a uniform standard (medical centers, diagnostic laboratories and its own Telemedicine Center) to ensure the best possible access to the services as provided and to meet revenue targets.

The medical care model is focused on keeping up the good health of clients, providing a broad range of prevention measures and screening tests and on promoting healthy lifestyles.

Development of health offerings (packages, subscriptions)

In 2025, PZU Zdrowie continued to develop its group and individual medical care offerings to pursue its strategy as a comprehensive medical operator. The main activities included:

- expanding the offer of subscriptions for individual clients in the form of Medical Packages to include a Package for Pregnant Women. The package includes consultations with 20 specialists and a broad set of laboratory and imaging tests;
- maintaining payments through banks with 0% installments for customers;
- implementing more preventive packages (prepaid packages of medical services) with an additional rehabilitation package including dry massage as well as joint mobilization and manipulation;
- implementing a group medical subscription add-on "intervention team trip," aimed at helping our patients more quickly;
- providing customers with the opportunity to use e-referrals within the Medycyna Pracy (Occupational Medicine) product;
- making the "travel insurance" service available to group clients in two variants.

mojePZU project in PZU Zdrowie

In 2025, work was continued to develop functionality in the Zdrowie/Health section of the mojePZU portal. The changes enabled mojePZU to increase its self-service levels by 5 p.p. y/y.

H2 2025 saw the beginnings of a project to transform the entire health section of the mobile application, with the aim of optimizing business processes and the operating model and reducing the time spent on service and information activities, lowering the cost of servicing a PZU patient and reducing operating costs.

The Company's ambition is to carry out a mobile application transformation in which advanced technology solutions and modern UX will improve the patient experience and generate competitive advantages and maximize business benefits.



Development of innovative solutions

PZU Health tests and implements innovative solutions that truly improve the quality of healthcare, increase operational efficiency and enhance the patient experience at every stage of the health pathway, bringing tangible benefits to patients, medical staff and the entire PZU Group. Key areas of innovation focus on improving the quality of care, increasing operational efficiency, and enhancing the patient experience at every stage of the health pathway.

Ongoing studies and innovation projects have provided faster, more precise diagnostics (including imaging and laboratory), personalization of therapy and easier access to medical services.

Innovation development is based on cooperation with substantive offices, medical facilities, technology partners and startups, which makes it possible to quickly test and implement solutions with high market and social potential.

PZU Zdrowie actively participates in accelerator programs (e.g. Start Smart and Huge Think), competitions (e.g. Startup Med, EEC Startup Challenge), hackathons (Hack for Health) and industry events (e.g. AI & MedTech CEE, MII Connect and MEDmeetsTECH).

At the same time, the organization is developing a culture of innovation, promoting interdisciplinary collaboration, a patient-centered approach and openness to change in the rapidly evolving medtech sector.

2.4.3. Investments

TFI PZU

Towarzystwo Funduszy Inwestycyjnych PZU (TFI PZU) operates on the investment fund market in the PZU Group. TFI PZU offers products and services for retail and institutional clients. In addition, under the third pillar of the pension system, TFI PZU offers:

In group form:

- Employee Pension Schemes (EPS);
- Employee Capital Schemes (ECS);

In the individual form:

- Individual Retirement Accounts (IKE); and
- Individual Retirement Security Accounts (IKZE).

Complementing the statutorily regulated products are Group Pension Plans (GPPs), and the Higher Pension Package (HPP).

As at the end of 2025, TFI PZU had 67 funds and sub-funds in its portfolio, including nine ECS sub-funds.

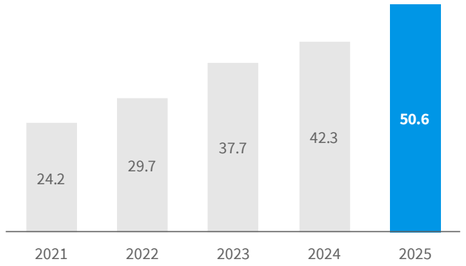
New index funds inPZU Bitcoin and inPZU Gold, as well as Sejf+ z Ochroną Kapitału, have been implemented for sale on inPZU's 2025 service. In addition, the sale of new model portfolios based on inPZU FIO funds was introduced, and the service's purchase paths were optimized; the MIFID survey was optimized, too. Integration of the mojePZU portal has been completed by presenting all TFI products in the group service. At the end of the year, more than 364,000 users were using the inPZU service. In 2025, TFI PZU transformed the funds and subfunds through:

- shifting the investment limit on the main investment spectrum of individual funds from the previous one to at least 80% of WAN (Net Asset Value);
- Indicating the level of "modified duration" in the case of debt funds;
- adding criteria for evaluating the creditworthiness of issuers of debt instruments and a provision for issuer ratings.

In 2025, the following measures were taken as part of TFI PZU's ongoing optimization of its product offerings:

- in April, the creation of a new fund: PZU FIZ Obligacji Korporacyjnych dedicated to a narrow range of investors;
- in June, the merger of two funds: PZU FIO Ochrony Majątku (acquired) with PZU Sejf+ (the acquiring subfund) separate within PZU FIO Parasolowy;
- in August, the conversion of two sub-funds: inPZU Akcje Sektora Zrównoważonej Gospodarki Wodnej into inPZU Bitcoin, and inPZU Akcje Sektora Biotechnologii into a new one: inPZU Złoto;
- in October, the creation of a new non-public fund: PZU FIZ Private Debt.

Net assets of TFI PZU funds (in PLN billion)



Source: IZFiA

At the end of 2025, TFI PZU managed investment funds with net assets of PLN 50.6 billion, an increase of 19.5% as compared to the end of 2024.

As part of its asset management service on behalf of clients (asset management service), TFI PZU managed nearly PLN 15.8 billion in assets as at the end of 2025, including approximately PLN 0.73 billion for an external client. The value of assets under management in investment funds and under the contract management service amounted to over PLN 64 billion, of which assets from an external client amounted to PLN 34.7 billion.

In 2025, TFI PZU continued to take over assets from Employee Pension Schemes (EPSs), with 29 programs taken over, which resulted in an asset transfer of PLN 209 million.

Changes in assets under management within the funds were driven predominantly by:

- a boom in the debt and equity markets;
- high sales activity in the secondary market of EPSs (52 acquisitions of EPSs);
- the development of the product portfolio and its modification, in particular the creation of two new closed-end funds: PZU FIZ Obligacji Korporacyjnych and PZU FIZ Private Debt;
- development of the inPZU service and offering and the support actions;
- systematic contributions as part of ECSs and EPSs;
- a regular increase in the number of savers under ECSs, EPSs and HPP;
- National Central Bank policy in the area of interest rates;
- declines in Polish bond yields, increasing their valuation;
- interest rate cuts by central banks.

TFI PZU is also one of the market leaders in Employee Capital Schemes (ECS) and Employee Pension Schemes (EPS). This result is due to the extensive support that TFI PZU offers to employers in implementing and operating ECSs, the investment performance of the ECS sub-funds, and the well-prepared and executed training process on the principles of ECSs (ECS training with a certificate of participation was implemented).

The continued stabilization of the ECS and EPS portfolios in 2025 has strengthened the PZU Group's position in both areas in terms of asset value and number of participants. TFI PZU's ECS fund assets amounted to PLN 9.9 billion, compared to PLN 6.6 billion at the end of 2024, an increase of 50.8% y/y. In total, at the end of 2025, TFI PZU had 112,175 ECS management agreements in place, with 1,033 employees enrolled.

In turn, 213,252 employees participated in 613 EPS programs run by TFI PZU, which collectively accumulated savings worth PLN 12.0 billion at the end of 2025.

PTE PZU

PTE PZU manages the following entities:

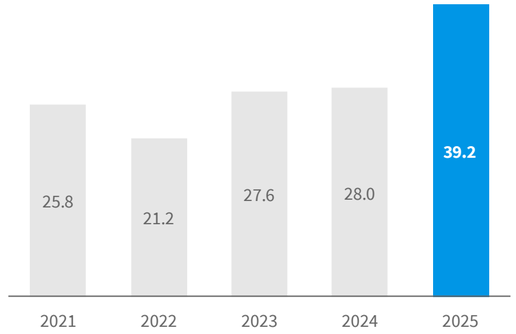
- OFE PZU "Złota Jesień" open-end pension fund;
- DFE PZU voluntary pension fund.

OFE PZU "Złota Jesień" is one of the largest pension funds in Poland. At the end of 2025,OFE PZU was the fourth largest pension fund, both in terms of the number of members, as well as in terms of net asset value:

- the fund had nearly 2.1 million members, or 14.8% of all participants in open-ended pension funds;
- net assets amounted to close to PLN 39.2 billion, or 13.3% of the total assets of open-ended pension funds operating in Poland.

As at the end of 2025, DFE PZU had 63.8 thousand IKZE and IKE accounts with assets worth PLN 1.5 billion. As such, it kept the leading position in terms of net assets among the voluntary pension funds.

Net assets of OFE PZU "Złota Jesień" (in PLN billion)



Source: KNF



2.4.4. Banking

Bank Pekao Group

Bank Pekao is a universal commercial bank offering a full range of banking services to individual and institutional clients operating chiefly in Poland. The Bank Pekao Group consists of financial institutions operating on the following markets: banking, asset management, brokerage services, investment and transaction advisory, leasing and factoring. Since 2017, Bank Pekao has been part of the PZU Group. The Bank offers products and services competitive on the Polish market, high-level customer service and a developed distribution network.

A broad product offering, innovative solutions and individual approach provide customers with comprehensive financial service. In turn, the integrated operating model allows the highest quality services and better adaptation to the changing needs of the customers. The Bank has consistently strengthened its market position in key business areas.

At the end of Q3 2025, Bank Pekao was the second largest bank in Poland (in terms of the value of its assets).

Development of product portfolio

In 2025, in the retail banking and private banking segments, the Bank focused on adapting services for individual customers, so that they could use the solutions more intuitively and in line with their expectations. Various groups of customers were supported, including younger people and those in the labor force, with solutions offered in response to their needs in everyday situations.

In 2025, a total of 497,500 Mega Beneficial Accounts and World Premium Accounts were opened, including 172,500 for customers under the age of 26. By the end of 2025, the Bank was serving 6.7 million individual customers, including 1.2 million under the age of 26.

In 2025, World Premium Account sales remained strong, with a total of 36,000 accounts opened dedicated to affluent customers depositing a minimum of PLN 200,000 in the Bank's savings products. More than 21,000 of these accounts were opened by new customers.

Among the account's most popular benefits were an attractively priced Premium Savings Account with promotions for new customers (e.g., 6% up to PLN 200,000 for 4 months), a special offer of 10,000 miles under the Miles&More program for the purchase and active use of a "Bison Credit Card," or access to a wide range of savings and investment products, including the opportunity to purchase Treasury Bonds.

The Private Banking segment saw record acquisitions in 2025, with nearly 2 thousand new customers. Cooperation has also been established with more than 300 Family Foundations within the Family Office.

Sales results were significantly influenced by marketing campaigns carried out in 2025 for the Mega Beneficial Account with a high-interest Savings Account and the "Bargains with Bison" discount program. Clients were provided with the comprehensive package of "Superpowers on the go" solutions addressing the customers' special needs related to travel during holidays and annual leaves. Innovative payment rings and the ability to purchase e-vignettes through the PeoPay app were very popular with customers. As part of its partnership with LOT Polish Airlines and Miles & More, activities promoting airline miles collection for transactions made with the Bison Credit Card were further pursued. The card is currently used by more than 34,700 customers.

In 2025, further editions of online account opening promotions were carried out, under which clients who met the conditions of the promotion, i.e. actively used a debit card and gave marketing consents, could receive appealing bonus transferred to their account of up to PLN 400.

Intensive efforts aimed at building the Bank's brand image among young customers were made, such as supporting the passions of its customers – sports, gaming, music (e.g., Bank Pekao was a partner of the Bittersweet Festival in Poznań). It actively promoted card sales and the PeoPay application among young clients, introducing new card images inspired by gaming, and offering a special rewards catalog and promotion for people registering a card with such an image as part of the Mastercard Priceless Moments program. In addition, the Bank offers the Mega Beneficial Account for customers between the ages of 18 and 26 free of charge. Furthermore, the "ABCs of Saving" guide has been made available to help young customers learn how to consciously manage their finances and make responsible financial decisions.

The Bank was active in promoting sales of accounts for children and the youth. Parents were encouraged to open their child's first account through dedicated and appealing special offers, including attractive interest rates on the My Sweetie savings account.

Savings accounts were in high demand among individual customers in 2025, with cyclical special offers for new customers and holders of Savings Accounts and Premium Savings Accounts with an appealing interest rate of 7.0% for 4 months up to PLN 100,000, which translated into an increase in the total balance in savings accounts by the end of December 2025 by almost PLN 2.1 billion (+7.5%).

Customers who prefer traditional forms of investment were offered a wide range of term deposits with attractive interest rates. Deposits were available both through remote channels (e.g., Lokuj z Nami, Lokata dla Ciebie) and in branches. Customers were also interested in savings products for children under the age of 18, including My Sweetie accounts and Piggy Banks, allowing savings to be set aside for specific purposes.

In 2025, very good sales results were achieved in cash loans. They amounted to PLN 7.4 billion in terms of net volume, up 17% from 2024. The gross value of new contracts signed amounted to PLN 8.9 billion.

High sales and a high share of net volume in the value of signed contracts (new financing provided to customers) translated into a 13.1% y/y increase in the value of the cash loan portfolio. In 2025, record sales of electronic cash loans were achieved, at PLN 6.0 billion, or +25% y/y. There has been a consistent increase in the share of loans granted remotely through the Pekao24 service, in the PeoPay mobile application and through the Bank's hotline.

Sales processes were developed, focusing on customer convenience by implementing new loan offers and solutions that simplify obtaining financing and transferring loans from other banks and at the same time raise the level of security.

In 2025, new solutions were implemented to make it easier for customers to take advantage of cash loans, including:

- an increase in the limit of the loan available without the spouse's consent to PLN 100,000;
- a new Risk-Based Pricing policy model that enables offering a lower price to customers with the best risk profile;
- new consolidation processes, making it easier to transfer a loan to Bank Pekao or combine the installments paid in Pekao, which allows customers to reduce the amount of installments paid or obtain additional financing;
- new regular premium CPI insurance for cash loans;
- very competitive pricing terms for loans on offer.

Bank Pekao is the only bank in Poland to offer tuition loans to cover paid medical studies. Students can apply for a loan at the beginning of each semester and benefit from interest rate subsidies, a guarantee provided by BGK, and potential full or partial forgiveness. To date, nearly 5,700 customers have taken advantage of the loan, for a total amount of more than PLN 1.26 billion, of which nearly PLN 420 million has already been disbursed for semester loan tranches.

In 2025, sales of mortgage loans reached PLN 10.8 billion, a 35% y/y increase compared to PLN 8.0 billion in sales of standard loans in 2024 (excluding PLN 3.3 billion in loans under the "Bezpieczny Kredyt 2%" (Secure Loan 2%) sold in 2024 under the government's housing support program).

The mortgage offerings have been continuously updated and adapted to changing market conditions and clients' needs. The offering was expanded to include, among other things, products for the uniformed services and for customers refinancing loan obligations from other banks. Preferential terms were also introduced for loans of more than PLN 500,000, allowing the Bank to reach out more widely to wealthier customers, from larger cities, with specific financial needs.

October 2025 saw the launch of the new PZU Dom housing insurance, available both as a product linked to a mortgage loan and as a stand-alone product for all customers.

In 2025, in bancassurance, Bank Pekao has expanded its offerings with two new insurance products available in all distribution channels: regular premium CPI insurance linked to the PEX product, and PZU DOM real estate insurance with broad coverage, available both as part of the mortgage loan, and stand-alone.

Intensive marketing efforts and personalized communication using the CRM system have been carried out to increase the customers' awareness of the insurance offerings and current special offers, including those concerning travel or motor insurance during the holidays.

Insurance products were increasingly popular with customers, and high y/y sales growth was achieved in insurance not linked to bank products. The number of standalone policies sold in 2025 was 80% higher y/y. The sales growth rate for motor insurance was +58%, and for travel insurance, it was +86% y/y.

The share of mortgage loans sold with insurance (for which such an offer may have been available) remained at a stable high level of 94.2%. For the number of cash loans sold, the share was 34.3%. In 2025, insurance policies worth more than PLN 820 million in premium written were sold, a record level in the Bank's bancassurance area. The bancassurance market share was 16.2% at the end of 2025.

Corporate banking includes the small and medium-sized enterprise (SME) segment and the medium-sized corporation (MID) segment. In this area, automation and digitization efforts continued in 2025, also with the development of new functionalities in electronic banking and increased scope of customer self-service. Focusing on streamlining processes and improving the quality of service, competitive advantages in the SME and MID segments were strengthened, further improving the Bank's position in the market.

Corporate banking includes servicing large corporations and major groups of companies, public sector clients, financial institutions, commercial real estate and specialized financing, as well as clients of the Brokerage House. In the Corporate Banking segment, the focus was on the development of individual business areas, using modern tools that support the work of advisors, product specialists and analysts. At the end of 2025, more than 7,000 corporate customers were served. Gross corporate loan volume amounted to 64.8 billion (+10% y/y), while loans to the public sector stood at 11.5 billion (+10% y/y).

Pekao TFI

The Pekao Mutual Fund Management Company (Pekao TFI) is member of the Pekao Group. It is the longest-operating mutual fund management company in Poland. It offers modern products for investing in the domestic and foreign markets. The company establishes savings programs, including solutions under the third pillar of Poland's pension system, and also provides portfolio management services and operates Employee Capital Schemes. Pekao TFI is listed in the ECS registry and its offerings are available at www.mojeppk.pl.

As at 31 December 2025, the net asset value of Pekao TFI's investment funds (including Employee Capital Schemes) totaled PLN 41.2 billion, up by PLN 9.0 billion or 28.1% compared to the end of December 2024.

Alior Bank Group

The Alior Bank Group is headed by Alior Bank. Alior Bank is a universal deposit and loan bank operating in Poland. The bank provides services to individuals and legal entities (including foreign entities). The bank's core business comprises maintaining bank accounts, granting cash loans, issuing bank securities, and purchase and sale of foreign currencies. The bank also conducts brokerage activity, provides financial advisory and intermediation services, and provides other financial services. Alior Bank has been a member of the PZU Group since 2015.

At the end of Q3 2025, Alior Bank was the 8th largest bank in Poland in terms of the value of its assets.

Development of product portfolio

In 2025, Alior Bank implemented the Bank's strategy in the development of digital sales channels and cooperation with PZU Group.

Alior Bank has released a new simplified process for applying for additional funds as part of an external loan or consolidation, aimed at clients who have a calculated pre-approved limit. The process is available both on Alior Online and on the Alior Mobile app. The focus on the continuous development of online processes and offers was reflected in the clients' growing interest in the loan sales processes available online. In 2025, their volume sales increased by 40% compared to the previous year.

In H1 2025, as part of a cross-selling strategy with PZU Group, life and unemployment insurance with a monthly premium was implemented in response to client needs.

Alior Bank gradually adjusted its cash loan price offerings, taking care of their profitability and competitiveness with the other offerings available on the market. Fixed-rate products continued to be the most popular with clients, giving them the comfort of predictability in the costs associated with their loan agreements.

In Q2 2025, Alior Bank launched a multi-channel marketing campaign for a new cash loan offer with a fixed interest rate of 9.00%. The special offer was available to individual clients who did not have cash loans or consolidation loans at Alior Bank on the date of application. Activities included communication through various channels, such as television, the Internet, social media, media in sales networks and micromarketing activities. In addition, internal communication channels such as Alior Online, Alior Mobile, SMS and push notifications were used. The offer was very popular, hence it attracted new clients.

In Q3 2025, the New Offer Model was introduced, reducing the number of offers and unifying them across all channels, making the list of loans and credits more transparent to the client in terms of availability of offers. The next step was to continue the marketing campaign for a cash loan with a fixed interest rate of 8.79% for clients who did not have cash loans or consolidation loans at Alior Bank in any of the 36 months preceding the month of application. In addition, at the beginning of December, the interest rate on this offer was reduced by an additional 1 p.p. for consolidation loan amounts of PLN 100,000 and above.

Alior Bank's 2025 cash loan sales volume is up 20% over the previous year.

A credit card with a credit limit for any purpose is a product for an individual client available in all distribution channels: landline channels, telephone channels, as well as Alior Mobile and Alior Online. This is a form of deferred payment with the possibility of an interest-free period of up to 59 days for card payments and transfers, provided the debt is paid in full on time. In 2025, the Bank continued to promote the following credit cards: Mastercard OK! and Mastercard TU i TAM, the main benefit of which is reimbursement for card payments (charged accordingly at selected retail and service outlets in the case of Mastercard OK! and for transactions in a currency other than PLN in the case of Mastercard TU i TAM, additionally, the Mastercard TU i TAM credit card offers preferential currency conversion, i.e. settlement in over 150 currencies with no fees charged by the Bank). For Private Banking clients, the Bank offers the World Elite card with a higher limit and a package of services: Mastercard Concierge, an extensive package of travel insurance and assistance services, and Priority Pass, meaning access to airport lounges. The World Elite card is available without an issuance fee thanks to the continued in 2025 "No Card Issuance Fee to Start" promotion.

In 2025, the Bank continued to develop credit card sales through electronic and mobile banking (Alior Online and Mobile). Personalized limit offers were made available, and until 30 September 2025, clients could additionally take advantage of the "Card for 6+ on KLIK" promotion with the reward of an additional cashback of up to PLN 600 within the first 6 months of starting the contract. Within Alior Online and Mobile, clients have the option to launch an installment plan using their credit card, with a proposal to spread the transactions made into convenient installments.

Alior Bank saw a significant increase in mortgage sales in 2025, compared to 2024. During this period, Alior Bank offered clients a new version of its flagship special offer "Your Own Place, Wherever You Are" and also introduced new proposals: a special offer aimed at clients being employees of the uniformed services - "Own Place for the Uniformed Services" and a mortgage loan refinancing offer - "Refinance with Alior Bank." As a consequence of the drop in interest rates, the Bank saw a rapid increase in mortgage loan sales.

Alior Bank's offer includes mortgages in both variable rate and periodically fixed rate variants with a term of five years. In the structure of sales in H1 2025, the share of the periodic fixed rate reached nearly 90%. The sales structure is dominated by broadly defined housing purpose related to financing housing needs.

Alior Bank also actively participates in the "Apartment Without Down Payment" program, offering its clients the opportunity to finance up to 100% of the investment costs associated with their housing goal under the portfolio guarantee line of the Government Housing Fund (PLG-RFM) and, upon meeting certain conditions, to benefit from family repayment.

One of the primary acquisition products in the savings area in 2025 at Alior Bank was the Mega Savings Account. In January 2025, a new version of it was introduced, with an attractive rate in the market for both new and existing clients. In July 2025, the offer of savings accounts was expanded to include the Start Savings Account.

In addition, clients with a Personal Account were still able to activate the benefit of a higher interest rate on their savings account. The offer of savings accounts with promotional interest rates was supplemented by:

- the “Family 800+” variant, intended for clients who have applied for a parental benefit through Alior Online or whose personal account at the Bank has been credited with a benefit from the “Family 800+” program;
- the “Bonus for the Young” variant, intended for holders of the Like-Minded Account who are at least 13 years old but under 18, and from November 2024 also for children between the ages of 7 and 12.

In 2025, Alior Bank also offered term deposits with fixed rates in PLN, USD and EUR to retail clients. Clients could choose the optimal option of the savings period and open a deposit in a selected distribution channel (including Alior Online and Alior Mobile). Clients showed the greatest interest in deposits for new funds in PLN. Continuing efforts to digitize clients, a mobile deposit was offered, available exclusively on Alior Mobile for new users of the app. A Start Deposit dedicated to new clients opening a personal account with the bank was made available from April to July 2025. At the same time, the Bank was developing its retention offerings both in digital channels and in branches.

In the area of bancassurance in 2025, Alior Bank received the highest premiums written from offering investment and savings life insurance from the PZU Group’s offering. The Bank offered Individual life insurance with insurance equity funds “Multi Capital II”, under which clients can take out a life insurance policy and also have access to a number of insurance equity funds with different investment strategies, geographical region of the investment, profit potential and investment risk levels, as well as Individual life and endowment insurance “Safe Tomorrow” with a guaranteed sum insured, which has been extended to allow clients to choose a 48-month insurance period. The total earned premium volume from the two types of insurance in 2025 was more than PLN 400 million.

Regulatory product implementations have been an important issue in bancassurance. In 2025, Alior Bank focused on changing its model for offering insurance for cash loans from premiums payable in a single payment to premiums payable in monthly installments. In February 2025, individual accident insurance and unemployment insurance for borrowers of Alior Bank’s cash loans were implemented from PZU, while in May, the individual life insurance provided by PZU Życie for borrowers of cash loans from the Alior Bank was changed. An important implementation was the release of a new microservice facilitating the insurance sales model for cash loans in Q4 2025 in remote channels.

The stand-alone insurance products not linked to bank products, i.e., travel, motor and real estate insurance available online, continued an upward trend; these are products which are very important for the development of the bancassurance offering. Sales of these insurances were supported by marketing campaigns based on promotions and discounts, among other things. There was a particularly high increase in the number of policies sold for PZU Wojażer travel insurance. Starting in H2 2025, PZU NNW Edukacja insurance has been added to the range of insurance products that can be purchased through Alior Bank, with the youngest ones in mind.

The Bank also offered group insurance as an added benefit to its banking products. These included assistance and travel insurance under the Like-Minded Account, travel insurance linked to World Elite credit and debit cards, and group insurance for installment loans.

The bank continues its strategy based on offering primarily insurance in the so-called individual model, in which it acts as an insurance intermediary and receives remuneration in this respect. The group model, in which the Bank is the policyholder, is used for products that are free of charge to the client, complementing the parameters of a given banking product and providing additional benefits to the client.

In the retail segment, Alior Bank also offers installment loans. In 2025, cooperation with additional Partners in the area of Consumer Finance was successfully expanded, which allowed the Bank to significantly increase the reach of its offerings. The implementation of key initiatives undertaken as part of the Bank's Strategy continued, with a focus on maintaining and strengthening its leadership position in the installment loan market.

In 2025, activities in the business segment, in the face of changing market conditions and growing business expectations, focused on the implementation of strategic priorities that allow us to build a solid foundation for further growth, while ensuring the security and profitability of operations. Key initiatives included expansion of RES financing offerings, implementation of a new online banking project, automation and development of online sales processes, allowing entrepreneurs to open accounts on their own.

Alior TFI

Alior Towarzystwo Funduszy Inwestycyjnych is part of the Alior Bank Group. The company was established in 2010, originally as a brokerage house, focusing primarily on asset management services.. In 2015, the company was transformed into an investment fund company, and took over the management of the ALIOR SFIO an investment fund. In the past, it was listed on the NewConnect market. Alior Bank gradually increased its capital involvement in the company, ultimately acquiring 100% of the shares and delisting the company from public trading.

Currently, Alior TFI’s activities focus on the management of ALIOR SFIO, an investment fund whose main distributor of participation units is Alior Bank. The company also holds a license to manage portfolios comprising one or more financial instruments.

As at 31 December 2025, the net asset value of Alior TFI’s investment funds totaled PLN 4.8 billion, up by PLN 1.5 billion or 48.0% compared to the end of December 2024.

2.4.5. Other areas

Brief description of other PZU Group companies

PZU Pomoc

PZU Pomoc provides auxiliary services to PZU Group companies:

- Managing the PZU repair network;
- organizing motor assistance services for LINK4 and InterEurope (a company outside the PZU Group), and additionally, providing assistance services for SOS Ukraine;
- conducting salvage auctions and sales after loss and damage incidents;
- supporting technical claims handling in motor claims;
- handling assistance products for PZU and PZU Życie (among others, legal consulting, organization of assistance services);
- managing the loyalty program, PZU Pomoc w Życiu Club – more than 2.2 million club members at the end of 2025;
- managing PZU Sport in the form of sports and recreation subscriptions, the PZU Benefits platform, and operating a loyalty program for individual shareholders of PZU called Moje Akcje PZU.

PZU LAB

PZU LAB is a company dealing with advisory services and assistance in the implementation of all kinds of solutions improving the security of the strategic corporate customers of PZU and TUW PZUW.

The company cooperates with numerous academic centers and experienced experts (local and foreign). Constantly seeks new and effective technological solutions to enable mitigation of the risks that have the greatest impact on the insurance activity.

The PZU LAB team has developed methods for cooperation with the existing and prospective customers. First, the engineers identify critical installation sites, simulate critical events such as fire, flooding or explosion, and determine their consequences. Then the possible scenarios and the methods of minimizing the negative consequences are discussed. Ultimately, PZU LAB engineers implement innovative technological solutions in client companies that are to improve their safety.

PZU LAB has implemented Poland’s first product certification system in property damage prevention. The purpose of the certification system is to improve the effectiveness of products deployed to ensure the safety of enterprises and thus to reduce the instances of damage and the scope of losses to company assets. Certified products are marked with the patented “PZU LAB Approved” logo.

The company conducts intense safety-related educational and promotional activities. At the initiative of PZU LAB, the Maritime Industry Safety Forum, the Energy Industry Safety Forum and the Wood Industry Safety Forum are held annually. Moreover, a series of training courses entitled “Pyramid of competences” was launched for all participants in the insurance market, aiming to increase the level of knowledge in risk management among businesses.

This approach signifies an evolution in customer relations. PZU ceases to be only a seller of insurance and becomes a risk management advisor.

PZU Finanse

PZU Finanse sp. z o.o. is a service company established to keep accounting ledgers for subsidiaries of the PZU Group (excluding PZU and PZU Życie and PTE PZU).

PZU Centrum Operacji

PZU Centrum Operacji provides services supporting the operation of PZU Group companies. PZU Centrum Operacji’s line of business is the provision of the following services:

- auxiliary services related to insurance and pension funds;
- constant intermediation in conclusion of insurance agreements, financial and investment agreements, and assistance agreements;
- Contact Center;
- Data Center;
- printing services;
- IT services;
- keeping the accounting records;
- human resources and payroll;
- brokerage in selling and redeeming investment fund participation units and titles, as well as investment advice with regard to such instruments.

Tower Inwestycje

The company’s line of business is investment activity through the investment of free funds and development activity in the construction of commercial real estate.

The company conducted the office and retail project in a prestigious location in Wroclaw at ul. Oławska 35 (Plac Dominikański) in a venue occupied for the past several decades by an office building owned by PZU. This project is partially intended for the PZU Group’s needs and partially for lease. The investment is intended partly for the PZU Group's needs and partly for rental. Currently, the Company is engaged in the business of leasing office and retail space in the building.

Ogrodowa-Inwestycje

The core business of the Company is the commercial rental of office and commercial space in the City Gate office building owned by the Company in Warsaw.

The services of the Conference Center are provided on a designated area of nearly 800 sq m; the scope of the services includes commercial rental of professionally equipped conference and training rooms for the organization of conferences, business meetings, training courses and seminars. The services of the Ogrodowa 58 Business Center are provided on a designated area of 1480 sq m; the scope of the services includes commercial rental of 135 modern workstations.

Armatura Kraków

Since October 1999, the PZU Group has held an equity stake in Armatura Kraków and since November 2020, PZU has been the sole shareholder.

The business of Armatura Kraków lies outside the domain of financial and insurance services. The group is a leading manufacturer in the sanitary and heating industry in Poland. It specializes in the manufacture of bathroom and kitchen taps, aluminum central heating radiators, shower cabins and screens, and a wide range of valves.

2.5. Sales and distribution

The PZU Group has created the geographically biggest sales network in Poland. It provides clients with a comprehensive product offering through synergies within the PZU Group using a variety of distribution channels. As a result, clients enjoy easy and convenient access to financial products and services. The Group also ensures quality service by upskilling the sellers and providing them with modern tools, and by removing barriers.

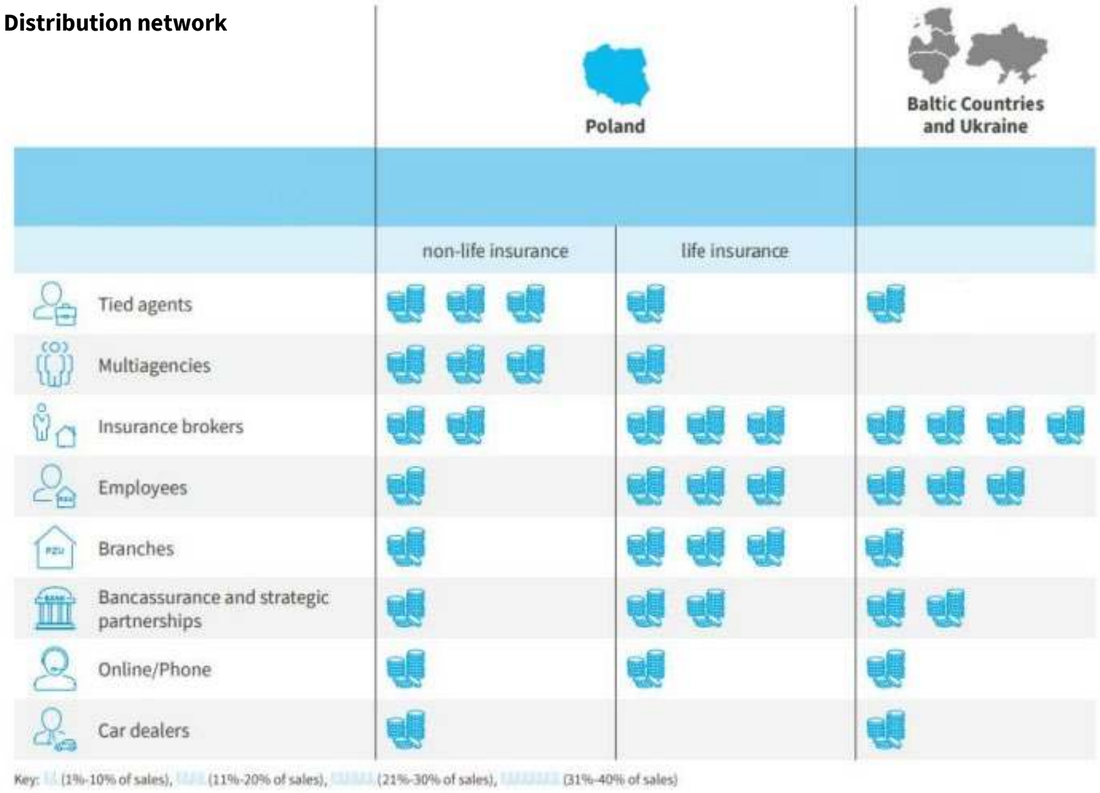
2.5.1. Insurance products

PZU has the largest sales and service network. At the end of 2025, it included 406 branches across the country, with 188 in small communities, and tied agents, multiagencies, insurance brokers and remote distribution channels.

In 2025, the PZU Group's distribution network included:

- tied agents – in Poland, the PZU's own agency network consisted of 7.5 thousand tied agents and customer advisors PZU and PZU Życie. Sales are conducted through the agency channel predominantly in the mass client segment, particularly of motor and non-life insurance as well as individual insurance (life insurance). LINK4 worked with 823 partners directly. In the Baltic Countries the Group's agency network comprised 571 agents, while in Ukraine there were 147 agents;
- multiagencies – on the Polish insurance market, the PZU Group cooperates with more than 4.5 thousand multiagencies. They perform sales operations targeted mainly at the mass market (insurance of all types is sold through this channel, especially motor insurance and non-life insurance) as well as individual life insurance. LINK4 cooperated with 61 aggregators, while in the Baltic Countries Group companies cooperated with 13 multiagencies and 16 in Ukraine;
- insurance brokers – in Poland, the Group, in particular PZU's Corporate Client Division, cooperated with over 1 thousand insurance brokers. In the Baltic Countries, where the brokerage channel is a major insurance distribution channel, the Group companies cooperated with 379 brokers and in Ukraine with 38 brokers;
- bancassurance and strategic partnership programs – in the insurance area in 2025, PZU cooperated with eight banks and nine strategic partners, PZU Życie with seven banks, TUW PZUW with two banks and seven strategic partners. LINK4 cooperated with five banks within various distribution models for mostly motor insurance and ten strategic partners. In the Baltic Countries, the cooperation included 6 banks and 9 strategic partners and 15 banks in the Ukraine;
- remote channel – non-life insurance sales through this channel is conducted in particular by LINK4 and comprises cooperation with price comparison engines, a website and a call center. This channel also includes the PZU sales hotline and mojePZU portal.

Distribution network



Branches and agencies

The bulk of PZU's clients prefer direct service by the agent and in the agent's office. The network of standardized PZU branches is evenly distributed across Poland in carefully selected locations. PZU branches are the only distribution channel ensuring comprehensive sales and aftersales service of PZU Group's non-life, life and pension insurance and investment products in each outlet. The offering in PZU branches is targeted at individual customers as well as businesses from the small and medium-sized enterprise (SME) segment.

PZU continues to develop the professional agency sales network. Agents' offices are always located close to customers, and the quality of service they provide is appreciated by them. PZU is working on a new visualization standard for branches; the standard will combine modernity and functionality. Continuous work is conducted on professionalizing the network and improving the quality of client service, through attractive training courses and workshops. In 2025, the customer service standard was updated to reflect current market trends and customer preferences. Agents actively use modern CRM and remote service systems such as mojePZU. Most agents running offices offer advice regarding the customer property, life and health insurance. They also provide customers with comprehensive service as part of the product offering of the entire PZU Group.

PZU supports agents by developing and promoting their online presence, as customers show great interest in seeking contact with an insurance consultant using this particular channel. The www.agentpzu.pl, site is continuously developed together with agent websites in the agentpzu.pl domain. Support is also provided through management of Google business cards of the agency establishments and joint administration of agents' professional Facebook profiles.

Agents operate under:

4 **20**

Macroregions, Sales Networks

and collectively in

197

Premium Agent Teams,
Key Agent Teams
and **Tied Agent Teams.**

2025 brought even closer cooperation with companies within the PZU Group. Now, 1,508 Tied Agents can offer LINK4 motor insurance to clients. Agents also offer leasing products in cooperation with Pekao Leasing and Alior Leasing. In addition, they may also offer Bank Pekao current accounts.

In 2025, new recruitment programs, Strong and Secure Start, were introduced, which significantly supported the growth of the agency network. New entrants receive full financial support during the first 12 months of onboarding, access to a CRM contact base, and professional preparation for the role of an exclusive agent, including training sessions, webinars, e-learning courses, and practical support from a manager.

Tied Agents cooperate with PZU in two models: as field agents and office agents, and they meet strict client service standards.

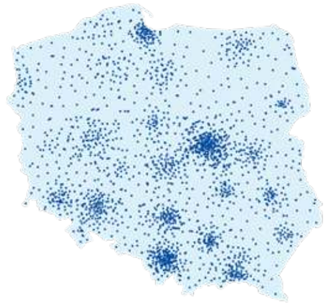
There were 1,285 tied agent offices at the end of 2025. Improvement of the professionalism and quality of client service in the agent's offices, and increasing their physical presence in the field are the priorities of the network development. Training in service quality standards, substantive support for the sales teams, and financial support from PZU.

The number of PZU tied agent offices in Poland at the end of 2025 was:

1,285

AGENT

See more



https://www.pzu.pl/kontakt-i-pomoc/znajdz-oddzial-lub-agenta

PZU Życie Tied Agent network

In 2025, PZU Życie continued to develop its network of PZU Życie Tied Agents by raising customer service standards, implementing new products and IT systems, and simplifying and digitalizing sales processes (including the introduction of online payments, electronic signatures, and the automation of a remote process enabling sales to be completed at any time, 24/7). The main objective of these activities is to ensure high quality and availability of products and services for customers, as well as to shorten the time required to complete the sales process.

PZU Życie supports its agents through, among other things, attractive training courses and development workshops, access to partner benefits, and promoting their online presence in response to strong customer interest in making contact through this channel.

The operations of The MDRT.PZU Club were continued in 2025. It is a mentoring program aimed at supporting salespeople in achieving sales goals that enable them to join the Million Dollar Round Table (MDRT), an organization of the top 1% of the world's best financial agents and advisors. The program includes development activities to improve participants' sales skills and competence in organizing and managing their own work.

PZU sales hotline



Clients interested in buying insurance remotely can contact PZU via a hotline; whereas clients with active agreements are taken care of by specialists who ensure the continuity in insurance cover and its alignment with the clients' current needs. In 2025, sales hotline consultants handled over 2.1 million calls (0.4 million fewer than in 2024, thanks to improvements in the voicemail detection process).

Key initiatives of the Remote Sales Office

The Remote Sales Office focuses on developing sales while maintaining high quality and the highest possible standards of client service. To this end, the competencies of both hotline sales staff and team managers are being enhanced. Over the past year, all managers participated, among other things, in a series of theoretical and practical training sessions supporting stress management.

In 2025, the "Direct in Shape" initiative was launched, aimed at improving employee well-being and preventing professional burnout.

In mid-2025, the Direct offering was expanded to include Doctors' Third Party Liability Insurance, and within the Nurses', Midwives', Physiotherapists' and Laboratory Diagnosticians' Third Party Liability product, sales were extended to cover other professions (previously, only Nurses' Third Party Liability Insurance was available in the direct offering). Sales of the PZU Cyclist insurance were also launched via the UBE Strefa platform.

In addition, in 2025 two supporting tools were implemented:

- Interactive CRM, which generates leads based on customer interactions with PZU websites.
- CC Quality Platform, a tool based on an LLM (Large Language Model) that enables large-scale analysis of conversations in the Direct channel.

Quality of sales calls

The activities and initiatives carried out in the Remote Sales Office are reflected in the results of the client satisfaction survey. In 2025, 98% of clients highly rated the knowledge and competence of hotline consultants. A similar percentage of clients positively rated their commitment and willingness to help when talking about insurance purchase. In turn, overall satisfaction with the purchasing process is expressed by 97% of customers.

Their high competences are proven by the awards received, including: First place in the "Institution of the Year" competition in the "Best Service in Remote Channels" category or advancement of the SME insurance sales team to the finals of the Polish Contact Center Awards in the "Best Consultant Team" category.

mojePZU

myPZU - a digital space in the world of insurance

Launched in 2018, the mojePZU service and sales platform continues to evolve, responding to customer needs and market trends. It combines the convenience of modern, intuitive solutions with the values that have distinguished PZU for years.

It is the most comprehensive platform in the Polish insurance market, available both as a web version and as the mojePZU mobile app. Thanks to it, PZU customers have everything available in one place: quick access to services, simple handling, and full control over their products. The number of users continues to grow, in 2025, nearly 5.8 million customers used mojePZU, including 2 million who accessed it via the app.

mojePZU combines the convenience of modern solutions with comprehensive support in the world of insurance and additional services. It strengthens the omnichannel approach and gives customers full control over their products – in one place, online and on mobile.

In the mojePZU service, customers can:

- buy new products,
- renew a policy,
- check details of the offers and their policies,
- report a claim and track its status,
- complete service processes, e.g., a refund of an overpayment or vehicle disposal.

mojePZU also provides access to medical services – collecting an e-prescription, scheduling tests and doctor's appointments. It also enables customers to invest their savings and manage the PZU Sport sports and recreation package.

mojePZU is constantly being developed and enhanced with new functionalities and services. The year 2025 was marked above all by the intensive development of functionalities in the area of life insurance – both individual and group. Automation of service processes translates into saving clients' time, and digitalization of correspondence means less paper consumption.



Over 5.8 million users

Cooperation with banks in the area of distribution

PZU's bancassurance and assurbanking business is based on cooperation with the PZU Group banks: Alior Bank (in PZU Group since 2015) and Bank Pekao (in PZU Group since 2017), as well as in the distribution of bancassurance insurance products through banks outside the Group. At the end of 2025, 7.4 thousand banking advisors (4.4 thousand in Bank Pekao and 3 thousand in Alior Bank) were enrolled in the Register of Insurance Agents.

The overriding objective of the cooperation is to reach the largest number of clients using multiple distribution channels and provide insurance cover to bank clients. The PZU Group's strategy for 2025–2027 focuses on further strengthening relationships with Group banks and partnering with the broader banking market.

Active cooperation with Bank Pekao and Alior Bank allows us to consistently expand the range and scale of sales of insurance products linked to banking products, including insurance for cash loans and mortgages, as well as unrelated products, i.e. motor, travel and real estate insurance.

Bancassurance

In the bancassurance area, the cooperation includes the sale of the following products:

with Bank Pekao:

- non-life and life insurance with mortgage loans, cash loans, personal bank accounts (RORs) and credit cards;
- investment products;
- travel insurance;
- motor insurance;
- property insurance

with Alior Bank:

- non-life and life insurance for cash and mortgage borrowers;
- investment products;
- travel insurance;
- ADD insurance with health package.
- accident insurance for children and youth.

In 2025, changes were made to the offering of insurance products linked to cash loans by introducing a regular premium payment model, with premiums collected monthly, and discontinuing single-premium payments.

In 2025, PZU Życie continued to work with the Group's banks: Pekao Bank, Alior Bank and VeloBankin the sale of unit-linked products and products with a guaranteed sum insured (SPE). As a result of this cooperation, a high level of sales of SPE-type products was maintained in 2025; despite declining interest rates, these products remained attractive to customers. At the same time, a significant increase was recorded in the sale of unit-linked investment products.

The range of available insurance capital funds was adjusted to comply with the requirements of the Regulation of the Minister of Finance of 10 February 2025 on investment policy of insurance capital funds (UFK).

Cooperation with the banks allows us to consistently expand the range and scale of sales of insurance products linked to banking products, including insurance for cash loans and mortgages, as well as unrelated products, i.e. motor, travel and real estate insurance.

Assurbanking

PZU is one of the largest Bank Pekao's external partners acquiring new clients for the Bank in the sales of personal bank accounts (RORs) via the bank's Pekao360 app.

In 2025, PZU expanded its sales network for banking products. End-to-end sales of the individual account in the remote (telephone) and stationary (branches and agencies) channels, as well as leads on loan products, continued. As part of a pilot project in the PZU Call Center, the sale of cash loans for existing bank customers was continued.

The main activities focused on stabilizing and improving processes in the Assurbanking area, including the development of service quality and sales effectiveness, which made it possible to maintain a high standard of cooperation with Bank Pekao and lay the foundations for future growth.

Strategic partnerships

The PZU Group strives to create an ecosystem in which the overriding objective is to manage customer relations skillfully by offering customer solutions in all venues accessible to them. This contributes to intensifying activities in strategic partnerships with companies operating on the Polish market, among others, telecommunication operators, power utilities, retail chains and airlines, regarding joint offering of non-life and life insurance to the customers of such institutions.

Within the framework of its strategic partnerships, PZU offers a number of insurance contracts to the business partners' customers, including:

- electronic equipment insurance and phone insurance;
- assistance insurance guaranteeing services of professionals, e.g. electrician, plumber and brown goods/white goods servicing staff, who provide help in the case of a failure in the household;
- insurance of photovoltaic installations;
- travel insurance.

In 2025, PZU cooperated with 9 strategic partners. Those are leaders in their respective industries and they have customer bases offering the possibility of extending the PZU's offering with additional innovative products geared towards those customers. For example, PZU cooperates with power sector companies to offer assistance services – assistance of an electrician, a plumber, or health assistant.

2.5.2. Health products

Health products – in the form of life & health and property insurance as well as non-insurance products – are distributed through various sales channels of the PZU Group, including the corporate and agency network of PZU and PZU Życie. The COVID-19 pandemic also contributed to an increase in sales through the digital channel of the mojePZU website where customers may choose from the new offering of prevention packages and individual medical subscriptions as well as individual medical consultations delivered both in the form of teleconsultations and stationary appointments.

Contact channels (outside facilities)

PZU Zdrowie's 24-hour medical hotline

801 405 905 or **22 505 15 48**

mobile app / self-service website

mojePZU

with access to the calendar of appointments of each center

Development of the scale of PZU operations

~ 2,800

cooperating medical partners

+

~ 5,500

medical staff

130 own facilities and over 4,000 partner facilities **in over 650 cities in Poland**

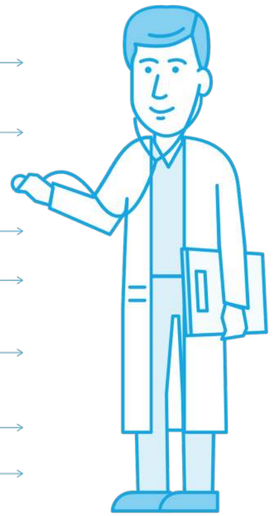
Health products distribution network

	Corporate insurance	Mass insurance	Individual insurance	Non-insurance products
Corporate sales	✓	✓		
Tied agents	✓	✓	✓	
Multiagencies/Brokers /Dealers	✓	✓	✓	
Branch	✓	✓	✓	
Direct (mailing)				✓
Strategic partners		✓		✓
PZU Zdrowie's employees (corporate network and branches)				✓

Amenities for patients receiving medical care from PZU Zdrowie

What **sets** us **apart**:

- access to specialist doctors without a referral
- accepting referrals from outside the network PZU Zdrowie
- reimbursement of the costs of medical visits and examinations outside PZU Zdrowie facilities
- modern and accessible patient portal
- Scientific Council - expert support from various fields of medicine
- modern medical centres equipped with top-class equipment
- electronic medical interview "Symptom Checker"
- emergency medical assistance



- wide range of telemedicine services
- high standards of patient service
- organization and management of occupational medicine using a dedicated portal
- preventive programs
- psychological help and vouchers for psychological consultations
- smooth process for proceeding to medical care
- pregnancy care and access to birthing school

2.5.3. Investment products

TFI PZU

TFI PZU acquires assets for management within the framework of the following four business models:

Model I – raising funds as part of strengthening its position in the pension market through EPSs and ECSs, whose assets exceeded a total of PLN 21.9 million; in 2025, additional assets of PLN 209 million were raised from transfers as a result of acquisitions of EPS programs;

Model II – cooperation with external entities, such as banks, brokerage houses, insurers and independent financial advisors (IFAs) that distribute TFI PZU funds to retail and institutional clients. The external distribution model was launched in 2011 and is rapidly expanding in scope by acquiring new partners in traditional and remote channels. As at the end of 2025, TFI PZU was working with 19 institutions in this channel;

Model III – the use of own and partner networks related to PZU – a network of PZU insurance branches, PZU Group member banks (Bank Pekao and Alior Bank) and TFI TFI's own sales network.

Model IV – the youngest distribution model is the online inPZU platform launched in 2018 along with the launch of the first umbrella of index funds in Poland, which at the end of 2025 was comprised of 43 asset classes.

inPZU

The online platform, inPZU.pl, launched in 2018, enables clients to independently invest in the first fully proprietary index funds, actively managed funds, and IKE and IKZE products in Poland. The platform is available 24/7, both in the desktop version and on any mobile device, and since 2020 also an English language version has been available. On the inPZU website, users may compare funds, define their investment objectives and personalize them. inPZU also enables users to search for funds and ready-made model portfolios as well as pay for their orders online. The platform is available to both individual and institutional customers. This is an attractive tool both for advanced investors and persons who are just starting to invest their savings.

In 2025, the development of the inPZU platform focused on expanding the product offering: new index funds,

At the end of 2025, there were
>364 thousand active users of inPZU.pl

inPZU Bitcoin and inPZU Gold, as well as the Sejf+ with Capital Protection product, were launched for sale. In addition, a new program, "PZU Model Portfolios," based on inPZU FIO funds, was created and launched. The system was also enhanced in terms of functionality: all purchase paths were optimized, the MiFID questionnaire was simplified, and the method of presenting the offering was changed to one based on target markets. Integration with the mojePZU portal was completed by presenting all TFI products within the Group service. From November, a new portfolio rebalancing order was introduced, available on a quarterly, semi-annual, and annual basis. Throughout the year, sales and marketing activities for the online channel continued, including ongoing SEM activities, mailings to the PZU Group databases and external databases, and in the fourth quarter a product campaign for IKE and IKZE was carried out, combined with a sales lottery.

Call Center

TFI PZU provides a hotline to serve clients, participants, TFI PZU fund distributors and Employers. The hotline is open Monday through Friday on business days, and the number of calls via the hotline in 2025 reached about 147 thousand.

The scope of information provided by the consultant on the hotline depends on the caller's level of identification. Clients can receive public information about the Funds or the rules of participation in the Funds. Information related to the handling of a register of a specific Participant can be provided after they are identified by a Consultant (the Consultant authorizes the Participant during the call by verifying the selected sets of data recorded in the Participant's register). Participants who are fully verified in the IVR system, and in the next step, by a consultant can place orders and instructions by phone in selected products. Participants in this service have a wide range of financial orders and non-financial instructions at their disposal.

The Transfer Agent also operates an hotline dedicated to serving distributors and employers.

PTE PZU

Payments to OFE PZU originate from pension insurance contributions transferred by the Social Insurance Institution (ZUS) in accordance with the decision made by the insured, under the second pillar of the pension system.

Client acquisition for Individual Retirement Security Accounts (IKZE) by DFE PZU is carried out through the following distribution channels: the Internet, PZU Życie, Bank Pekao, and external distributors. Customers for Individual Retirement Account (IKE) at DFE PZU are acquired through the Internet channel and external distributors. The tool used to conclude agreements online is the agreement generator available at http://ikze.pzu.pl. Sales activities carried out in 2025 indicate that the Internet offers the greatest sales potential.

In 2025, promotional and educational activities were conducted in connection with communicating the contribution limits for IKZE and IKE, providing information about the possibility of benefiting from a tax relief for contributions made to IKZE, and building awareness of pension security and retirement saving. As part of these educational efforts, an educational campaign entitled "You are an investor because you let your savings work" was launched, aimed at increasing awareness that savers are investors and, in doing so, create positive effects for the economy, the development of local communities, and their own retirement savings.

For DFE PZU customers, in 2025 PTE PZU continued a series of promotions waiving the contribution fee for both new (throughout the year) and existing (for five months) DFE PZU customers. In addition, a "loyalty" promotion was introduced for savers with more than seven years of participation, exempting them from the contribution fee.

2.5.4. Banking products

Bank Pekao

Distribution channels

Bank Pekao provides customers with a broad nationwide distribution network, including its own and partner branches, an ATM network with convenient access throughout the country, a professional telephone service center, as well as modern online and mobile banking platforms for retail, corporate, and small and microenterprise customers.

As at 31 December 2025, the bank had 560 own branches and 1,363 own ATMs.

Online and mobile banking

In 2025, the number of active mobile banking clients increased by 294 thousand to 3.7 million, 9% more than a year ago and 19% more than two years ago. The number of active mobile banking customers using the PeoPay app, increased by 328 thousand to 3.5 million and was 10% higher than a year ago and 23% higher than two years ago.

The most important projects implemented in 2025 in the Pekao24 service and the PeoPay application included, among others, the introduction of:

- a simplified activation of PeoPay in branches – the optimized process enables more efficient and faster execution of services in account sales and customer service, and supports user mobility;



- optimization of the selfie-based identity verification process, increasing the convenience and effectiveness of remote identification;
- passwordless login to Pekao24 – on trusted devices, it is sufficient to approve the login in PeoPay or by using a hardware key;
- a new process for activating the PeoPay application using an e-ID card, ensuring quick and secure launch of the application;
- a Notification Center in PeoPay – a dedicated section for security messages was introduced, giving customers continuous access to received alerts;
- cyberRescue – 24/7 support in the area of cybersecurity, as well as ongoing notifications about threats and fraud schemes;
- behavioral protection – analysis of typing patterns, mouse movements, or screen gestures makes it possible to create an individual behavioral profile of the customer and enhance the security of their data and funds in electronic banking;
- automatic generation of an authorization ID for consultants – verification of the hotline consultant's identity directly in the application, increasing the security of contact with the Bank;
- Live Activities – the ability to track ticket validity and parking time in real time in the PeoPay application;
- changes resulting from the WCAG Accessibility Act – adaptation of the service and the application to requirements increasing accessibility for all users;
- Sorbnet transfer – the process was adapted to new regulations introducing the SORBNET3 system;
- bulk transfers and a series of split payment transfers, enabling multiple transfers to be executed simultaneously under a single order in the Pekao24 service;
- payment rings – allowing payments to be made with them, thanks to the tokenization of Visa and Mastercard Bank cards (both debit and credit cards);
- e-vignettes – a function for purchasing electronic vignettes for highways and roads in Bulgaria, the Czech Republic, Slovakia, Slovenia, Switzerland and Hungary.

Alior Bank

Distribution network

At the end 2025, Alior Bank had 479 branches (149 traditional branches, 7 Private Banking branches, 12 Corporate Banking Centers, 11 Micro Sales Centers and 311 partner branches). The Bank's products were also distributed through a network of approximately 2.2 thousand credit intermediaries. Alior Bank also uses distribution channels based on a modern IT platform (including online banking, mobile banking, call centers, and DRONN technology).

By the end of 2025, Alior Bank upgraded its 94 branches to the new format. The role of the new branches is primarily to digitize customers and branch processes, provide convenience and privacy for customers, and improve bankers' convenience. The distinguishing features of these branches include their innovative design and the use of modern technologies.

Online and mobile banking

In 2025, in the area of digital banking, Alior Bank was mostly dedicated to work on optimizing the existing and introducing new solutions for Alior Online and Alior Mobile. These activities contributed to the implementation of the Bank's strategy "Alior Bank. Or nothing at all".

In an effort to provide the best possible customer experience, the implementation of the mobile strategy began by preparing the Alior Mobile application for the growing traffic and user needs.

A large part of the work in the first half of 2025 was focused on strengthening the technological foundations in order to significantly accelerate the pace of business development in the second half of the year. Thanks to the measures taken, the number of possible simultaneous sessions has been significantly increased (from 11 thousand to 50 thousand sessions) and overload-related failures (occurring in 2024) have been eliminated. At the same time, activities were carried out to increase the efficiency of the manufacturing process and prepare the application to take advantage of the cloud potential.



Work was also carried out on functional development of the application and improvement of solutions to increase the satisfaction of Alior Mobile users.

In 2025, work was underway to comply with the requirements of the EAA directive. The Alior Mobile application has been customized for people with special needs. Key areas of the application have been modified to allow management of font size while maintaining adequate contrast. Supporting the visually impaired and blind, navigation has been simplified with built-in assistants such as Talk Back and Voice Over, and contexts have been added for many functions. Aiming to support those using an external keyboard or specialized reader, the ability to navigate through the application and perform functions using these tools has been added.

BLIK Recurring Payments – Alior Bank offers a recurring payment solution that allows clients to conveniently and securely pay recurring obligations such as subscriptions, phone and Internet bills or purchases at selected online stores.

Customers whose installment loans are serviced by Alior Bank were provided, in August 2025, with the option to repay an installment using a BLIK code generated in another bank's mobile application.

The Currency Exchange Office service in Alior Online and Alior Mobile allows you to exchange: PLN, EUR, USD, GBP, CHF 24 hours a day, 7 days a week, and the exchange takes place between the client's currency accounts in real time. The service offers clients a number of conveniences such as the ability to pay for currency purchases using a BLIK code, set exchange orders at a set rate, and currency rate notifications. The Currency Exchange Office service at Alior Online and Alior Mobile is free and available to all individual clients.

Alior Mobile has added the ability to manage items such as shortcuts or saved recipients on the desktop. In addition, access to the messages the client receives from the Bank has been made easier.

In the second half of 2025, Alior Bank continued work on implementing a low-code platform for the efficient development of sales and post-sales processes. The Eximee platform with Camunda BPM was implemented. In November 2025, the mobile application was integrated with it, enabling low-cost implementation of the aforementioned processes in an omnichannel environment. The first such implementation is to provide customers with the ability to submit government applications ("Rodzina 800+" ("Family 800+ Benefit") and "Dobry Start" ("Good Start")) in the Alior Mobile.

In December 2025, the mobile application was enhanced to enable customers to complete the MiFID Questionnaire and submit applications for a brokerage account (including IKE and IKZE) as well as for Alior Trader. This marked the first phase of work on Digital Investments, enabling comprehensive handling of investment funds and brokerage services directly from Alior Mobile.

3. Environment and factors important for the development of the PZU Group

3.1. Factors and events affecting PZU Group's operations in 2025
3.2. The most important economic trends in Poland and abroad
3.3. Insurance sector in Poland and Baltic Countries compared to Europe
3.4. Polish health care sector compared to Europe
3.5. Polish banking sector compared to Europe
3.6. Financial markets in Poland and around the world
3.7. Regulations pertaining to the insurance market and the financial markets in Poland
3.8. External and internal factors relevant for the development of the PZU Group



3.1. Factors and events affecting PZU Group's operations in 2025

An accelerating Polish economy, thanks to growing investments, record profitability in the insurance and banking sectors, and regulatory pressures (DORA, AI Act, CSRD) are the main factors shaping PZU Group's business in 2025. In such an environment, the Group focused on risk selection, adjusting tariffs, developing digital channels, strengthening operational resilience and cyber security, and expanding its offerings in response to changing customer needs and expectations.

Category	Factor / Event (2025)	Mechanism for influencing operations	Impact on the PZU Group	References to other parts of the report
External factors				
Geopolitics	Trade tensions and increasing fragmentation of international cooperation, war in Ukraine	Economic uncertainty affecting financial markets, energy risks and inflationary pressures leading to higher energy prices, among other things	Restriction of insurance activity in war-affected parts of Ukraine directly affecting insurance revenues Inflation of the cost of repair services, materials and energy directly affecting the cost of operations	Chapter 3.2. Chapter 6.4.
Macroeconomics	GDP growth, falling inflation, interest rate cuts, Consumption growth due to real income growth Lower wage pressure	GDP growth and falling interest rates are boosting demand for insurance, loans and investment products. Inflation and interest rates affect the cost of capital and investment performance, and interest margins in the banking segment.	Insurance revenue up, investment result up Growing demand for insurance products thanks to rising household purchasing power in real terms. Stabilization of personnel costs in the Group	Chapter 3.2. Chapter 3.5. Chapter 6.4.
Non-life insurance sector – non-motor insurance	Market growth mainly in property insurance (residential and commercial), increase in sums insured, pressure on margins	Rising value of residential and commercial property drives higher sums insured and increases premiums	Sales growth with high profitability, development of tariffs and underwriting, development of new products	Chapter 3.2.1. Chapter 6.4.
Non-life insurance sector – motor insurance	Strong competition, increase in average damage, increase in claims ratio	Price growth slowing, repair cost inflation, market profitability declining	Active pricing (price increases), greater risk selection, improved profitability, lower sales growth, decline in market share	Chapter 3.2.1. Chapter 6.4.

Category	Factor / Event (2025)	Mechanism for influencing operations	Impact on the PZU Group	References to other parts of the report
Weather events	Floods, hailstorms, hurricanes	Extreme weather events reveal a growing insurance gap and affect the frequency and value of claim payments, especially in non-life insurance. At the same time, increased awareness of climate and weather risks may stimulate demand for non-life insurance Locally: higher compensation payments, pressure on tariffs Global: rising reinsurance costs	Increase in combined ratio and reinsurance program costs	Chapter 6.1. Chapter 6.4.
Healthcare sector	Rising demand for private care, telemedicine	Revenue growth	Larger scale of operations, increase in number of own and partner outlets, increase in number of contracts, growing importance of remote distribution channels, increase in operational efficiency	Chapter 3.3.1. Chapter 6.4.
Banking sector	Deposit inflow, loan growth in both corporate, retail and SME segments	Record profits in the sector	High contribution of Bank Pekao and Alior Bank to PZU Group result	Chapter 3.4.1 Chapter 6.4.
Regulations	DORA, AI Act, CSRD/ESRS, AML, Solvency II, MIFID, NIS2	Need to adjust processes, increased IT, reporting, process, capital requirements	Increased operating costs, increased compliance costs, need to invest in cyber security and IT modernization	Chapter 3.6.
Technology	Digitization, use of AI	Development of remote sales, tools for quick risk assessment (photo-inspections) and simplified liquidation paths Better risk selection, extortion prevention, faster claims settlement (including mStłuczka in the mObywatel app)	Comprehensive tariff transformation Continued digitization of claims handling processes	Chapter 4.2.

Category	Factor / Event (2025)	Mechanism for influencing operations	Impact on the PZU Group	References to other parts of the report
Internal factors				
Implementation of the strategy for 2025–2027	Operationalizing the Strategy for 2025	Continued development activities in the digitization of processes, development of the bancassurance channel, acquisitions in the health area, modernization of systems and making product offerings more attractive, among others.	Implementation of strategic goals in accordance with the adopted assumptions	Chapter 4.2. Chapter 6.6.
Capital reorganization of the PZU Group	Term Sheet – cooperation agreement between PZU and Pekao Bank signed on 26 June 2025 with amendments agreed on 19 December 2025	Work on a potential merger between PZU and Bank Pekao involves resources on the part of the management boards and both organizations. The intention of the parties is to bring the potential transaction to fruition by 31 December 2027, provided the necessary legislative changes occur by the end of 2026 and come into effect by the end of April 2027.	Impact on organizational structure and capital requirements according to Solvency II	Chapter 4.3.
Capital position and dividend policy	Solvency II ratio level	The high level of capitals and strong solvency position enables growth and payment of attractive dividends to shareholders, which is a factor in investors' perception of the Group.	Payment of PLN 3.86 billion in dividends, or PLN 4.47 per share, which translated into a 9.8% dividend yield	Chapter 6.7. Chapter 7.5.3.
Personal changes in the management board	Three changes in the position of the President of PZU	Personnel changes in leadership positions can affect management decisions, organizational culture, strategy and the pace of project implementation.	Continued implementation of strategy, greater emphasis on transformation and development	Chapter 4.2. Chapter 6.6. Chapter 7.3.1.

3.2. The most important economic trends in Poland and abroad

The global economic situation in 2025 was determined by geopolitical risks, trade tensions and the development of technologies related to artificial intelligence. In the Polish economy, last year was marked by gradually booming activity and faster-than-expected disinflation, which allowed monetary policy to be eased significantly.

3.2.1. Situation in the world economy

The year 2025 was another period of heightened uncertainty marked primarily by a sharp rise in trade tensions and a progressive fragmentation of international cooperation, linked to, among other things, a radical change in foreign policy by the Donald Trump administration.

Fears about the negative impact of protectionism on the U.S. economy have so far not materialized. Admittedly, in the second half of last year, the record-long shutdown of the federal government's work resulted in gaps and delays in the publication of data, among other things, making it difficult to assess real trends. Nonetheless, U.S. inflation in 2025 eased to 2.6% from 2.9% in 2024, and Q3 2025 GDP grew in real terms by as much as 4.4% y/y, after 3.8% y/y in Q2 and compared to a 0.6% y/y decline in Q1 (annualized seasonally adjusted).

However, concerns about the condition of the labor market overseas remain elevated. In December 2025, the U.S. unemployment rate reached 4.4%, up from the 4.1% recorded at the end of 2024. This compares with 3.8% at the end of 2023, confirming the continuing upward trend. In 2025, this was accompanied by the largest wave of reductions in the public sector in decades, estimated to include some 300,000 positions. In the fall, concerns about the labor market situation began to dominate over inflation and tariff risks, prompting the Fed to cut interest rates three times by 25 bps each, collectively cutting rates from 4.50% to 3.75%.

In 2025, the rate of economic growth in the eurozone has accelerated slightly. In the fourth quarter of 2025, real GDP grew by 1.3% y/y in this group of countries, following 1.4% y/y in Q3, 1.5% in the second quarter and 1.6% y/y in the first quarter. For 2025 as a whole, growth reached 1.5%. In the individual quarters of 2024, the rate of change of GDP in the eurozone varied between 0.5% and 1.3% y/y, which translated to an average of 0.9% in annual terms.

The lone leader in eurozone economic growth last year was Ireland, where double-digit GDP growth was generated by accelerated shipments to the U.S. due to tariffs, as well as the activities of technology and pharmaceutical companies and the transfer of intellectual property rights. In addition, the wide disparity among the other eurozone member countries persisted. The best performing economies were Central-Eastern Europe, Spain and Croatia. The German economy, which is key for Poland because of its trade ties, has managed to get out of recession, although the growth rate is so far low (0.2% y/y).

Germany's economic outlook is supported by both planned investment and fiscal measures, but improvement continues to be limited by persistent structural challenges. With demand still moderate, inflationary pressures gradually eased further. In the eurozone, average annual inflation fell to 2.1% in 2025, while in 2024 it was 2.4%. In December 2025, the harmonized index of consumer prices (HICP) stood at 2.0%, fully in line with the European Central Bank's inflation target. In response to the improved inflation situation, the European Central Bank carried out four interest rate cuts of 25 basis points each in the first half of 2025, reducing the rate from 3.15% to 2.15%. At the same time, the labor market remained stable. The unemployment rate has been hovering around 6.3% in recent months, close to historical lows. However, the rate continues to rise in some countries, most strongly in Finland and Slovenia, where it was more than 1.5 p.p. higher at the end of 2025 than in 2024.

China last year managed to achieve the result planned by the central authorities – GDP growth in the Middle Kingdom remained at 5.0%. However, according to official statistics, the growth rate weakened over the course of the year – from 5.4% y/y in Q1 to 4.5% y/y in Q4 2025. In the face of U.S. tariff sanctions, China's exporters have managed to find alternative markets for their production, including in Europe or Africa, achieving a record trade surplus for the year. Exports partially compensated for weaknesses in domestic demand, with weak consumer purchasing and credit activity, including in the still crisis-ridden housing market.

3.2.2. Trends in the Polish economy

GDP and production

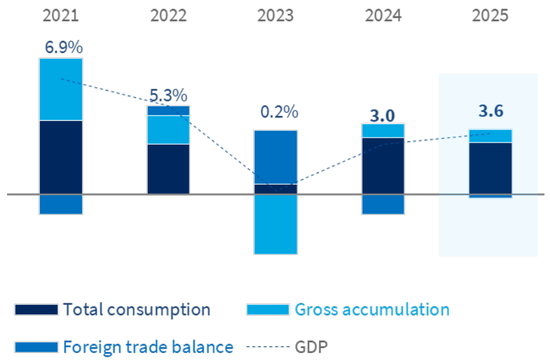
According to the first estimates of Statistics Poland, Poland's GDP in 2025 grew by 3.6% in real terms, after 3.0% growth in 2024.

The main driver of growth was household consumption, which rose by 3.7% in real terms in 2025 after a 2.9% increase in 2024, contributing 2.1 p.p. to GDP growth last year. As expected, investment also expanded in 2025, increasing by 4.2% in real terms and adding 0.7 p.p. to GDP growth. Investment activity was supported, among other factors, by EU funds and arms spending. In 2024 investment had declined by 0.9%. Public consumption also made a significant positive contribution to economic growth in 2025 (+1.0 p.p.). Net exports, on the other hand, continued to exert slightly negative impact, reflecting the stronger pace of domestic activity compared with that of Poland`s trading partners.

In 2025, **industrial output sold** increased by 3.0%. Despite trade tensions, a still-weakened economy of our trading partners and growing pressure from Chinese manufacturers, Polish industry has slowly begun to emerge from several years of stagnation. Signs of recovery were seen in export-oriented manufacturing and construction-related divisions, among others. The production of capital goods increased strongly in 2025.

After a difficult 2024, **construction and assembly output** began to rebound, although its total growth in 2025 was only 0.7%. The number of infrastructure projects under implementation increased (including the Port Polska airport, railway and port investments) as well as energy projects (including offshore wind farms in the Baltic Sea, the nuclear power plant, and the modernization of transmission grid), accompanied by rising absorption of EU funds. For the time being, however, this has not translated into results for companies specializing in civil engineering, which ended the year under the dash. Declines also ended 2025 in the building construction segment, with the final months of the year bringing an improvement in activity in this area. On the plus side, those performing specialized work, which includes preparing land for investment, stood out.

Decomposition of GDP growth



Source: Statistics Poland/PZU Department of Macroeconomic Analyses

Labor market and consumption

The average wage in the enterprise sector in 2025 was PLN 8,934.98, nominally higher than a year earlier by 8.1%, the lowest nominal wage growth in the sector since 2020. Although a temporary acceleration in wage growth was visible in some months – partly due to calendar effects and shifts in the payment dates of variable remuneration components – wage pressure is easing, as confirmed, among other things, by survey results published by the National Bank of Poland. Despite lower nominal changes, rapidly falling CPI inflation is keeping wage purchasing power growth high. Last year, wages in the enterprise sector increased by 4.5% year on year in real terms, compared with a 7.0% increase in 2024.

Average employment in the enterprise sector in 2025 amounted to 6,445.9 thousand full-time jobs, 0.9% lower than a year earlier. Between January and December 2025, approximately 45,000 full-time equivalent jobs were lost. Recruitment activity by companies continues to weaken.

Weaker labor demand from the enterprise sector has not significantly affected **unemployment**, due to demographics, among other factors. The registered unemployment rate in December 2025 admittedly reached 5.7%, 0.6 p.p. higher than a year earlier, and the number of unemployed registered at labor offices at the end of 2025 was 887,900, up 101,700 y/y. However, these statistics do not indicate a significant worsening of the labor market situation; they are primarily the result of the entry into force of the labor office reform, which has significantly reduced the number of de-registrations from unemployment, especially those resulting from failure to appear at the labor office on the scheduled date. Invariably, the situation in Poland remains relatively favorable compared to other EU countries – in December 2025, only Czech Republic (3.1%) could boast a lower unemployment rate (seasonally adjusted, calculated according to a harmonized methodology for EU countries) than Poland, and the same as Poland – Malta (3.2%).

The relatively stable labor market, rising incomes in real terms and interest rate cuts have translated into consumer purchasing decisions. **Retail sales** increased by 4.3% in real terms in 2025. The good situation of households is evidenced, among other things, by the continued recovery in demand for durable goods and positive trends in consumer sentiment. Among other things, households' ratings of their ability to make important purchases or their ability to save have risen to historically high levels.

Inflation, monetary policy and interest rates

In 2025, the rate of growth in consumer prices remained at 3.6%. Average annual inflation remained near the upper range of the NBP's inflation target band (2.5%, +/- 1 p.p.), but subsequent quarters brought a marked deceleration in price growth – in Q4 2025, consumer price growth slowed to 2.5% y/y, after 3.0% y/y in Q3 and compared to 4.1% y/y in Q2 and 4.9% y/y in Q1 2025. As a result, inflation last December was below the NBP's inflation target, standing at 2.4% y/y.

The disinflation process was supported by, among other things, favorable price trends in global food and fuel markets, a strong zloty and growing competitive pressure from Chinese imports to Europe. Also important for the level of inflation in 2025 was the continuation of interventions in electricity prices and

system heating prices. The rate of growth in service prices was also slowing, with December's rate of 5.2% y/y being the lowest since the end of 2019. Weakening price pressures were also confirmed by core inflation, whose main measure – excluding food and energy prices – slowed to 2.7% year on year in December 2025, reaching its lowest level in six years. At the same time, another measure of core inflation – excluding administered prices – fell below 2% at the end of the year.

Favorable trends in inflationary processes have prompted the Monetary Policy Council to significantly ease monetary policy. In 2025, the Monetary Policy Council (RPP) lowered the reference rate six times – in May, July, September, October, November, and December. Overall, since the beginning of the year, the cost of money fell by 175 bps, reaching 4.00% in December.

Public finance

According to the Statistics Poland's fiscal notification, the deficit of **the general government sector** in 2024 amounted to 6.5% of GDP, compared with 5.2% of GDP in 2023, while preliminary data for Q3 2025 indicate it reached approximately 7.0% of GDP (year-to-date). On 26 July 2024, the EU Council decided to launch the excessive deficit procedure against Poland. The justification states that the deficit of the general government sector exceeding the reference value (3% of GDP) is not temporary, as confirmed by the 2024 figure. According to the EU Council Recommendation to Poland of 8 July 2025, the procedure was temporarily halted due to compliance with the Council's recommended rate of increase in net expenditure. The increase in the deficit in 2024 was primarily due to an increase in defense spending and increases in wages and salaries, as well as social benefits. According to the "Public Finance Sector Debt Management Strategy 2026 – 2029"the general government sector deficit is expected to gradually decrease from 2026 and reach 4.7% of GDP within the strategy's horizon.

The central government budget deficit at the end of 2024 amounted to PLN 210.9 billion, against the PLN 240.3 billion assumed in the amendment to the budget act. The budget deficit in 2025, according to the budget act, is expected to be PLN 288.8 billion, while the budget act for 2026 assumes a value of PLN 271.7 billion.

According to the most recent Statistics Poland's fiscal notification, **general government sector debt** increased to 55.1% of GDP in 2024, after 49.5% of GDP in 2023, while according to preliminary data after Q3 2025 it was 58.1% of GDP. According to the "Public Finance Sector Debt Management Strategy 2026–2029," the general government sector debt is expected to rise to 75.3% of GDP in 2029, while public debt can exceed the prudential threshold of 55% of GDP in 2028, which would mean triggering prudential procedures under the Public Finance Act in 2030.

3.2.3. External environment in the Baltic Countries and Ukraine

Lithuania

According to the Bank of Lithuania, the value of gross domestic product after three quarters of 2025 reached EUR 61.7 billion. Real, non-seasonally and calendar-adjusted GDP growth was 2.8%. In the third quarter, there was a minimal decrease of 0.02% in GDP compared to the second quarter of 2025, while an increase of 2.0% was recorded on an annual basis. The weakening of GDP growth in the third quarter was most influenced by the weaker performance of companies in the manufacturing, transportation and warehouse services industries. In turn, the wholesale and retail trade, scientific and technical activities and administrative services sectors had a positive impact on GDP. Compared to the previous quarter, household consumption decreased by 0.7%, government spending fell by 0.2%, while gross fixed capital formation increased by 1.2%. Exports of goods and services declined by 1.2%, while imports rose slightly by 0.1%.

In December 2025, annual inflation, measured against December 2024, was 3.2%. Its level was mainly influenced by price increases for meat, milk and dairy products, eggs, tobacco products and spirits. The prices of restaurant services, actual rents paid by tenants, maintenance and repair of transportation equipment have also increased. At the same time, there has been a decline in car and electricity prices. Prices of consumer goods and services in December decreased by 0.2% compared to the previous month.

Statistics Lithuania reported that in the third quarter of 2025, Lithuania's unemployment rate was 6.6% recording a decrease of 0.6 p.p. compared to the previous quarter and 0.2 p.p. compared to the third quarter of the previous year. The long-term unemployment rate fell by 0.1 p.p. during the quarter, while increasing by 0.4 p.p. compared to the same period in 2024, and stood at 2.6%.

In the third quarter of 2025, the average monthly gross wage (before employee taxes) in the entire economy (excluding individual enterprises) was EUR 2,427.6, up 1.7% from the previous quarter. In the public sector, the average gross monthly salary stood at EUR 2,586.0 (up 2.1% from the previous quarter) and in the private sector at EUR 2,361.5 (up 1.5% from Q2).

Latvia

Data published by Statistics Latvia shows that in Q3 2025, gross domestic product at constant prices increased by 2.5% (according to non-seasonally and calendar-adjusted data). Compared to the previous quarter, GDP grew by 0.6% (according to seasonally and calendar-adjusted data at constant prices). In the third quarter, the largest contributions to value-added growth came from the manufacturing sector, the construction sector and trade and real estate activities. In contrast, value added declined in the healthcare sector and in agriculture, forestry and fishing. Compared to the same period last year, total value added increased by 2.6%. Manufacturing sectors grew by 5.5%, while service sectors increased by 1.6%.

In December 2025, compared to December 2024, the average consumer price level increased by 3.5%. It was mainly influenced by the increase in the prices of housing-related goods and services (1.2 p.p.), particularly the increase in electricity prices. Higher prices for food and non-alcoholic beverages (1.1 p.p.) also had a significant impact on the price level, in addition to price increases for recreation and cultural goods and services (0.2 p.p.) and health care services (0.2 p.p.).

In November 2025, Latvia's real unemployment rate stood at 6.9%, up 0.1 p.p. from both the previous month and the same period last year. On a y/y basis, the unemployment rate among women increased by 0.2 percentage points to reach 5.7%, while it remained unchanged among men at 8.1%.

The average gross monthly salary in the third quarter of 2025 was EUR 1,835, a y/y increase of 7.8%, while at the same time, on a quarter-to-quarter basis, it increased by 1.5%. In the private sector, annual growth in average wages was 1.0 p.p. higher than in the public sector (8.1% and 7.1%, respectively).

The average after-tax wage was EUR 1,361 (or 74.1% of gross wages), up 10.5% y/y, outpacing the growth in both consumer prices and gross wages. Real net wage growth, taking into account price increases, was 6.3%.

Estonia

According to data from Statistics Estonia, gross domestic product in Q3 2025 rose by 0.9% compared to the same period in 2024. The largest positive impact in the change in GDP came from the manufacturing sector, whose value added increased by 7.9%; in addition, the energy sector and real estate activities had a positive impact. The rate of growth was negatively affected mainly by wholesale and retail trade, where value added fell by 6.9%, as well as transportation and warehousing and health and social assistance activities.

Foreign trade growth accelerated in the third quarter. Exports increased by 5.7% and imports by 5.6%. Net exports were positive for the second consecutive quarter, with Estonia's exports of goods and services exceeding imports by EUR 147 million.

Compared to the third quarter of the previous year, private consumption fell by 0.6%. There was a decrease in spending on alcoholic beverages and tobacco products, food services and accommodation, and transportation. At the same time, spending on financial and insurance services, education and home furnishings increased the most.

In November 2025, the consumer price index dropped by 0.2% compared to October and grew by 4.9% compared to November 2024. Goods were 2.9% more expensive than in November last year, while services were 7.9% more expensive.

Food products had the largest impact on the y/y change in the index, with an increase of 6.5%. The main drivers of food price increases were increases in the prices of meat and meat products (up 7.1%), milk, dairy products and eggs (up 8.4%), fruits (up 6.3%) and chocolate (up 27.8%). Compared to last November, there was a decrease in the prices of clothing and footwear (down 5.7%), as well as recreation and leisure (down 0.1%).

The unemployment rate in Q3 2025 stood at 7.1%, representing a decrease of 0.7 p.p. compared with the previous quarter and 0.3 p.p. compared with Q3 2024.

The average gross monthly salary in Q3 2025 was EUR 2.075, 5.9% higher than in the same quarter previous year. At the same time, y/y wage growth has slowed.

The largest wage increases compared to Q3 2024 were in the electricity generation and distribution sector (up 15.3%) and also in manufacturing (up 7.7%), finance and insurance (up 7.2%) and construction (up 7.0%).

Ukraine

Russia's aggression against Ukraine, which began on 24 February 2022, has led to the realization of a number of risks for both citizens and the business sector. Despite the difficult conditions, Ukraine's economy is gradually adapting to the new realities and taking steps to rebuild. However, the process has been slow, mainly due to the consequences of warfare, including massive attacks and extensive damage to critical infrastructure.

The recovery in the economy continues to be driven by consumer demand in the domestic market. In Q3 2025, the economy recorded real gross domestic product growth of 0.8% over the previous quarter and 2.1% over Q3 2024. The intensification of early crop harvests, stable consumer demand and improvements in the energy sector were important factors in the growth.

In October 2025, the inflation rate fell to 10.2%. Despite the observed deceleration, inflationary pressures remain significant and are mainly due to rising consumer demand, high business costs, rising labor costs and the weakening of the hryvnia exchange rate.

A decision by the National Bank of Ukraine on 23 October 2025 kept the discount rate at 15.5%. This action is aimed at increasing the attractiveness of short-term hryvnia deposits and stabilizing conditions in the domestic financial market.

In 2025, the dynamics of commodity exports slowed markedly as a consequence of weaker harvests in the previous year and reduced demand in foreign markets. In addition, the European Union's removal of trade preferences in June 2025 and a return to the conditions in place before February 2022 had a negative impact. However, the smooth operation of the maritime corridor has allowed a significant portion of agricultural exports to be redirected to other markets. At the same time, due to growing defense needs and the need for increased purchases of gas and coking coal, there has been an acceleration in import growth. As a result, the trade deficit reached USD 45.2 billion at the end of September 2025.

Nominal household incomes increased primarily on the back of rising private sector wages and a further decline in the unemployment rate. At the same time, in real terms, the growth rate of total income has gradually weakened. In Q3, average wages rose nominally by 20% y/y. The unemployment rate continued its decline and, according to NBU estimates, fell to around 12%, reaching its lowest value since the beginning of full-scale Russian aggression.

According to UN data, the number of migrants from Ukraine continues to gradually increase, and as of 14 November 2025, it stands at 5.9 million people. It is worth noting that this statistic also includes those who were forced to leave the country and those who were deported to Russia. Some 294,000 people have left Ukraine since the beginning of 2025. According to the International Organization for Migration (IOM), as of September 2025 there were 3.7 million internally displaced persons on Ukrainian territory, while 4.5 million people had returned to their permanent places of residence.

Since the war broke out, ratings agency S&P Global Ratings has repeatedly updated Ukraine's long-term foreign currency credit ratings. As of 3 June 2025, Standard &Poor's downgraded Ukraine's long-term foreign currency sovereign rating to “SD/SD” (selective default), following the failure to pay the next installment of warrants linked to GDP growth. At the same time, the long-term and short-term credit ratings in the local currency were confirmed at “CCC+/C,” with the outlook for the long-term local currency rating remaining stable.

Meanwhile, on 14 November 2025, the international agency Fitch Ratings affirmed Ukraine’s long-term local currency rating at “CCC+.” At the same time, the long-term foreign currency rating was confirmed at “RD” (restricted default).

3.3. Insurance sector in Poland and Baltic Countries compared to Europe

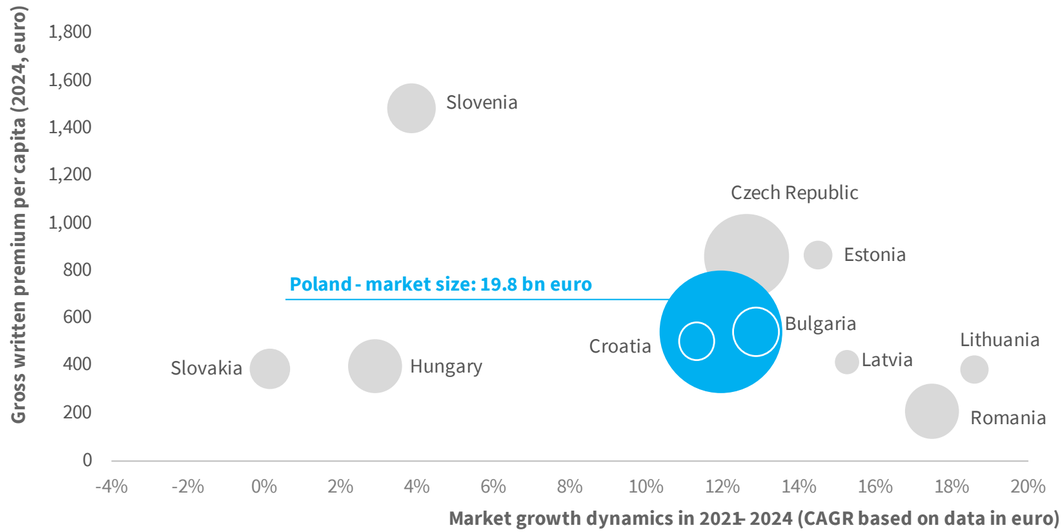
Insurance companies play an important role in the national economy, acting as a stabilizer of business cycles. By collecting premiums and paying compensation during crisis periods, they contribute to mitigating the effects of economic fluctuations. In addition, they act as long-term investors, supporting the development of the economy through investments in infrastructure, government bonds and businesses, which promotes stability and economic growth.

The value of premiums in the European insurance sector in 2024 was EUR 1.57 trillion, of which EUR 770.5 billion came from life insurance and EUR 797.7 billion from non-life insurance. France and Germany have the largest insurance market in Europe (EUR 398.5 billion and EUR 373.6 billion in premiums written in 2024, respectively, accounting for 25.4% and 23.8% of the European market). Markets exceeding EUR 100 billion in gross written premiums still have Italy (EUR 158.6 billion), Ireland (EUR 109.2 billion), and above EUR 80 billion have the Netherlands (EUR 94.4 billion) and Spain (EUR 82.1 billion). The Polish insurance market was also inferior in size to those countries in Western Europe that have a significantly lower population than Poland, such as: Austria (EUR 23.2 billion), Norway (EUR 25.9 billion), Denmark (EUR 45.8 billion), Sweden (EUR 46.9 billion), Belgium (EUR 50.6 billion), Luxembourg (EUR 60.6 billion)[9] .

The statistical inhabitant of Europe in 2024 spent about EUR 2,883 on insurance, in terms of conversion. A year earlier it was EUR 2 671, so there was an increase of nearly 8%.[10] In 2024, in terms of conversion, the average Pole spent EUR 542 on insurance, about 11% more than the year before and more than 5 times less than the statistical resident of Europe. Only a few countries in Central and Eastern Europe recorded lower values. The insurance expenses of Lithuanian and Latvian residents amounted to EUR 383 and EUR 416 respectively, while the statistical resident of Estonia spent EUR 866 on insurance. By comparison, in major insurance markets such as France and Germany, residents spent EUR 5 820 and EUR 4 477 per person, respectively.[11]

In Poland, the market insurance model has been developing since 1990. At present, Poland has the largest insurance market in Central and Eastern Europe.

Gross written premium per capita (2024, EUR) in relation to the insurance market growth rate (2021–2024)*



Source: EIOPA, European Insurance Overview 2025; Eurostat
*excluding Ukraine due to economic instability caused by the war
** the size of the circle reflects the country's share of the insurance market in Europe – the larger the gross written premium, the larger the circle

Gross written premium for the Polish market in 2024 was EUR 19 844 million, corresponding to a share of approximately 1.3% of the European market (in 2022, it was EUR 17 894 million, with the share also at 1.3%). For the Baltic Countries, the figures were: for Latvia – EUR 781 million (0.05%), Lithuania – EUR 1,106 million (0.07%), Estonia – EUR 1,191 million (0.08%).[12]
Non-life insurance dominate the structure of the Polish market, generating two-and-a-half times more premiums than life insurance, accounting for 74% of premiums compared to 26% for life insurance, while in the EEA the ratio was 51% to 49%. Among non-life insurance, TPL accounted for 29.4% of premiums, MOD accounted for 22.5%, and non-motor insurance accounted for 48.1%.[13]

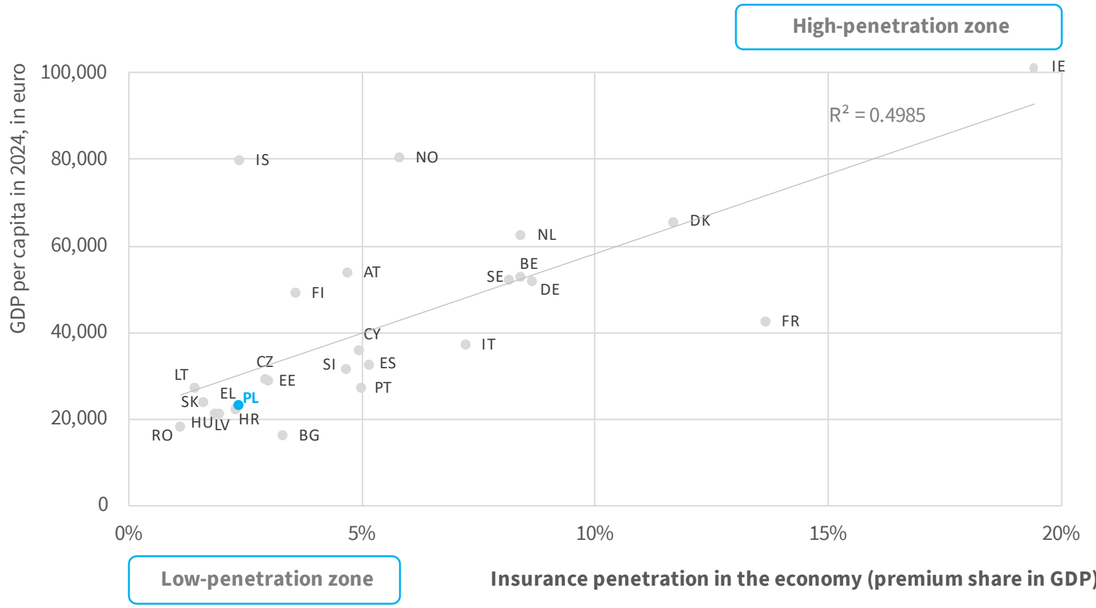
The Baltic Countries show a similar structure of insurance markets to Poland, with non-life insurance dominating. The situation is different in Denmark (74.8%), Italy (70.7%), Sweden (69.6%) and Norway

9) EIOPA, European Insurance Overview 2025

10) the analysis excludes Liechtenstein and Luxembourg due to significant deviations in their values from the other countries, and Ukraine, whose data is unreliable due to the ongoing armed conflict

11) EIOPA, European Insurance Overview 2025; Eurostat
12) EIOPA, European Insurance Overview 2025
13) EIOPA, European Insurance Overview 2025

Penetration of insurance in relation to GDP *per capita* in Europe (2024, EUR)



Source: EIOPA, European Insurance Overview 2025; Eurostat

(63.3%), where life insurance has the advantage – these are also some of the largest insurance markets in Europe .[14]

Poland's insurance penetration rate, which is the ratio of total gross written premium to gross domestic product (GDP), is below the European average. In 2024, this rate for Poland stood at 2.3%, whereas the EOG average was 5.4%.[15] Even lower penetration rates were achieved in the insurance markets of Latvia (1.9%), Hungary (1.8%), Slovakia (1.6%), Lithuania (1.4%) and Romania (1.1%). Ireland (19.4%), France (13.6%), and Denmark (11.7%) have the highest penetration rates.[16]

Analyzing the penetration of insurance in relation to GDP *per capita*, it can be expected that the Polish insurance sector will develop as Poland economy (GDP) grows, society becomes more affluent (with increasing disposable household incomes) and insurance awareness of the local population grows, which was exactly the path taken by West European countries.

Insurance distribution in Poland was mainly based on a network of insurance agents, who collected 67.5% of the premium. In 2024, their number reached 28,365, while the number of people performing agency activities dropped significantly – by more than 100 thousand y/y. The bancassurance channel played a smaller role, with its share declining from 6.9% to 6.4%, especially in the sale of individual life insurance. Insurance brokers, on the other hand, have maintained their importance, dominating primarily in the group life and non-life insurance segments.[17]

In 2024, Poland's insurance sector generated a record net profit of more than PLN 10 billion. A key source of improvement was life insurance, which made a 3.9 billion zloty profit thanks to a higher technical result and favorable changes in reserves. The profitability of this segment was primarily supported by health and accident insurance, alongside stable results from unit-linked products. In non-life insurance, profit remained at a level similar to the previous year (PLN 6.2 billion), but the technical result deteriorated markedly as a result of high damage costs – especially the 2024 floods – and losses in MTPL insurance. The largest profit contribution to this segment came from MOD insurance, while accident insurance remained the most profitable.[18]

In 2024, domestic insurance companies maintained solvency at a high and stable level – all of them had own funds in excess of both the solvency capital requirement (SCR) and the minimum capital requirement (MCR). The SCR coverage ratio was 266% in life insurance and 216% in non-life insurance, reflecting a substantial capital surplus. All of the life insurance companies were above 150%, and only four non-life insurance companies were below that. Most of the entities used the standard formula for capital calculations, and only two property establishments used the internal model (one in full, the other for the actuarial risk part).[19]

14) EIOPA, European Insurance Overview 2025
15) excluding Luxembourg, Liechtenstein and Malta exceeding 40%, where a significant portion of contributions were generated by cross-border activities, and excluding Ukraine, which has an unstable economic system due to the war
16) EIOPA, European Insurance Overview 2025; Eurostat
17) National Bank of Poland, Development of the Financial System in Poland in 2024
18) National Bank of Poland, Development of the Financial System in Poland in 2024
19) National Bank of Poland, Development of the Financial System in Poland in 2024

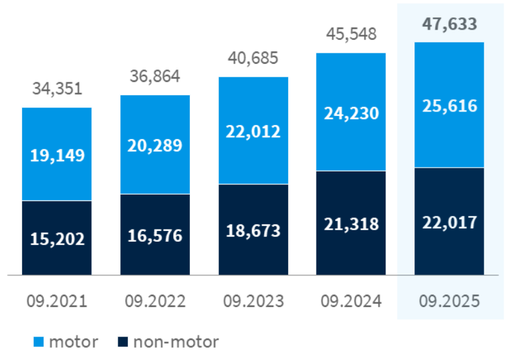
3.3.1. Description of the insurance markets on which PZU Group companies operate

Non-life insurance market in Poland

Measured by gross written premium in the first three quarters of 2025, the non-life insurance market in Poland grew by a total of PLN 2.1 billion (+4.6%) in comparison to the corresponding period of the previous year.

Total written premium on direct business grew by PLN 2.4 billion (+5.7% y/y), and on indirect business – decreased by PLN 0.3 billion (-9.6% y/y).

Gross written premium of non-life insurers in Poland (in PLN million)



Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Rynek ubezpieczeń [Insurance market] 3/2025, Rynek ubezpieczeń 3/2024, Rynek ubezpieczeń 3/2023, Rynek ubezpieczeń 3/2022, Rynek ubezpieczeń 3/2021

The market growth was attributable to the increase in gross written premium in motor insurance (by PLN 1.4 billion, +5.7% y/y), and non-motor insurance (by PLN 0.7 billion, +3.3% y/y).

Motor insurance premium growth was driven by both MTPL (up PLN 880 million, +6.3% y/y) and Auto Casco insurance (up PLN 506 million, +4.9% y/y). MTPL insurance remains the largest insurance group. After three quarters of 2025, it generated PLN 14.8 billion in premiums written, accounting for 31.0% of the non-life insurance market.

In **non-motor** insurance, the biggest contributor to the growth of gross written premiums was general third-party liability insurance (by PLN 325 billion, +10.4% y/y, of which PLN 269 billion related to indirect business). Sales increases were also seen in insurance of the provision of assistance (up PLN 316 million, +15.7% y/y), and fire and other property damage insurance (up PLN 94 million, +0.9% y/y).

The largest decline in gross written premiums was recorded in accident and health insurance (PLN 35 million, -1.4% y/y).

In the first three quarters of 2025, the overall non-life insurance market generated a net result of PLN 7,354 million, which is PLN 2,095 million more in comparison with the corresponding period of 2024 (up by 39.8%).

The technical result of the non-life insurance market after three quarters of 2025 grew by 120.2% y/y to PLN 2,849 million (up PLN 1,555 million). The largest impact on the increase in the technical result came from natural catastrophe insurance and insurance against other damage to property (up 745 million y/y), mainly as a result of lower claims and benefits (-PLN 58 million), including claims related to the effects of flooding in southern Poland in 2024.

In addition, there was an increase in profitability in MTPL insurance (technical result up PLN 496 million y/y to PLN 133 million).

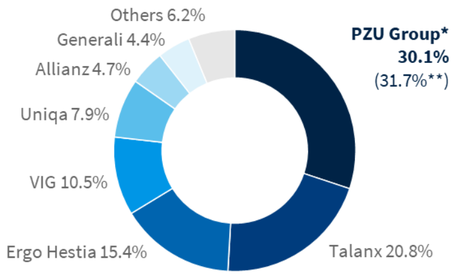
Non-life insurance – Gross written premium vs technical result (in PLN million)

Gross written premium vs technical result	1 January–30 September 2024			1 January – 30 September 2025		
	PZU*	Market	Market excl. PZU	PZU*	Market	Market excl. PZU
Written premium	14,739	45,548	30,809	14,343	47,632	33,289
Technical result	576	1,294	718	1,318	2,849	1,531

*) incl. LINK4 and TUW PZUW

Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Rynek ubezpieczeń 3/2025, and Rynek ubezpieczeń 3/2024, PZU figures

Non-life insurers – percentage of gross written premium in the first three quarters of 2025 (in %)



** PZU Group's market share in non-life insurance on direct business
Groups: **Grupa PZU** – PZU, LINK4, TUW PZUW; **Talanx** – Warta, Europa; **VIG** – Compensa, InterRisk, Wiener, TUW TUW; **Allianz** – Allianz, Euler Hermes, Santander Allianz TU S.A.;
Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń [Insurance Market] 3/2025

Significant increases in technical result were also recognized in Auto Casco insurance (by PLN 191 million) and in the group of assistance insurance (by PLN 177 million). A significant deterioration in profitability was recorded in the other insurance group, with a decline in the technical result of PLN 122 million.

After three quarters of 2025, the PZU Group had a 30.1% share in the non-life insurance market, measured by the gross written premium (30.2% on direct business) compared with 32.3% in the corresponding period of 2024 (31.7% from direct business), meaning a decrease of 2.2 pp. (1.5 pp from direct business).

After the first three quarters of 2025, the PZU Group's technical result (PZU together with LINK4 and TUW PZUW) stated as a percentage of the overall market's technical result was 46.3% (the PZU Group's technical result was PLN 1,318 million while the overall market's technical result was PLN 2,849 million).

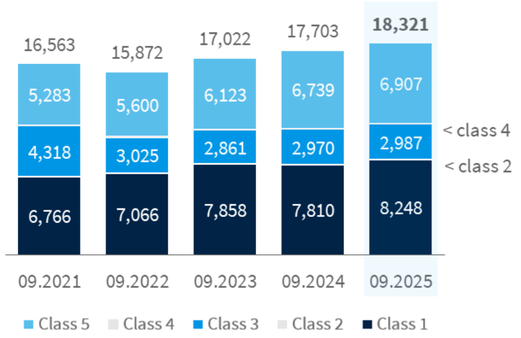
The total value of the investments made by non-life insurers at the end of Q3 2025 (net of the investments made by subordinated entities) was PLN 95,879 million, up 8.8% compared to the corresponding period of 2024.

Non-life insurers estimated their net technical provisions at an aggregate amount of PLN 80,529 million, signifying a 5.9% growth compared to Q3 2024.

Life insurance market in Poland

After three quarters of 2025, the life insurance market in Poland, measured by gross written premium, was estimated at PLN 18,321 million, meaning that it has grown over the most recent five years, on average, by 2.6% *per annum*, whereas this is the result of the considerably dynamic growth of the last three years. The **premiums** collected in three quarters of 2025 **were by 3.5% higher** compared to the corresponding period of 2024 as a result of an increase in periodic premiums while a decrease in premiums paid on a one-time basis. In products of both payment types, the premium for life insurance (Group I) and protection insurance has increased in accident and illness insurance (Group V). After three quarters of 2025, the market recorded negative premium written from accident and sickness insurance with single premiums (Group V) at -PLN 117 million (down PLN 486 million y/y; impact of the free credit sanction and the change in payment type from single to regular premiums) with a simultaneous

Gross written premium of non-life insurers in Poland (in PLN million)



Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń (3/2025, 3/2024, 3/2023, 3/2022, 3/2021)

increase in premiums with regular payments in this group of insurance of +PLN 654 million (+10.3% y/y).

After three quarters of 2025, after a period of significant slowdown in sales of investment-type products, there was an increase in premiums, including single-premium insurance in class III (+PLN 245 million, +50.4%). The reasons for the earlier downward cycle can be traced to changes in the capital market situation and the legal and macroeconomic environment, including the recommendations of the Polish Financial Supervision Authority.

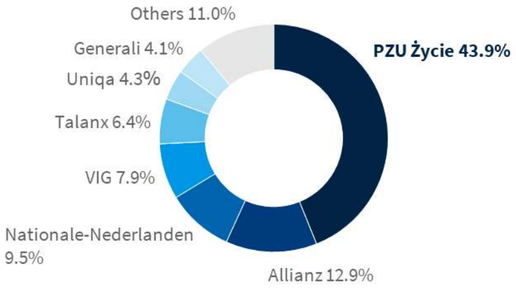
As a result of the market changes, periodic premium products that constitute PZU Życie's competitive edge on the market became more important. During the three quarters of 2025, premium from these products was 6.5 % higher compared to the same period in 2024, with a cumulative average growth rate of 5.1% for the last five

Life insurance – Gross written premium vs technical result (in PLN million)

Gross written premium vs technical result	1 January–30 September 2024			1 January – 30 September 2025		
	PZU Group	Market	Market excl. PZU Życie	PZU Group	Market	Market excl. PZU Życie
Written premium	7,444	17,703	10,240	8,050	18,321	10,272
Technical result	1,783	3,429	1,646	1,836	3,675	1,838
Profitability	24.0%	19.4%	16.0%	22.8%	20.1%	17.9%

Source: KNF (www.knf.gov.pl). Biuletyn Kwartalny [Quarterly Bulletin]. Rynek ubezpieczeń 3/2024, 3/2025, PZU Życie figures

Life insurers – percentage of gross written premium in the three quarters of 2025 (%)



Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń [Insurance Market] 3/2025

years. Despite the declining periodic premium in Group III unit-linked life insurance (down PLN 227 million y/y), the premium on protection products in Groups I and V increased (by PLN 1,226 million y/y) in both group and individually purchased insurance.

At the same time, market concentration measured by the periodic gross written premium remained high. During the last year, the list of the five largest market players has not changed, and their combined market share was 80.6%.

Within the three quarters of 2025, life insurers generated a total net result of PLN 3,198 million, up by PLN 149 million, 4.9% y/y. This was, among others, the effect of the technical result being higher than in the corresponding period of 2024.

The technical result of life insurance companies in the three quarters of 2025 amounted to PLN 3,675 million, i.e., was PLN 245 million higher (+7.2% y/y) than in the corresponding period of 2024. The increase is mainly due to an increase in the technical result in Group V accident and sickness insurance (up PLN 104 million) and in Group III life insurance linked to insurance capital fund (up PLN 82 million). The technical result declined only in the annuity insurance group (by PLN 3 million).

The total value of the investments made by life insurance companies at the end of Q3 2025 was PLN 46,884 million, signifying an 4.7% increase compared to the end of 2024. The net asset value of life insurance in which policyholders bear the investment risk increased by 5.7% to PLN 41,170 million.

Within the PZU Group, PZU Życie operates on the Polish life insurance market.

In the first three quarters of 2025, the PZU Group accounted for 43.9% of the gross written premium of all life insurers on the market, signifying an increase versus the last year's market share (by 1.8 pp), mostly as a consequence of the growing share of PZU Życie in the single premium market (+23.8 pp).

At the same time, the PZU Group continued to be the leader in the periodic premium segment. In the first three quarters of 2025, it generated 41.0% of these types of premiums, signifying a small decrease (-0.8 p.p.) in the market share in this segment as compared to the previous year. The PZU Group's written premium growth in this segment was 104.7% y/y.

PZU Życie's share in just the life insurance segment (Group I) for periodic premiums at the end of Q3 2025 was 46.1% when measured by gross written premium, and 47.3% when measured by the number of contracts in force.

The PZU Group's market share in terms of the method of entering into a contract in the life insurance segment was 54.4% for contracts executed in group form and 36.2% for individual contracts (measured by gross written premium).

The PZU Group's technical result represented close to 50.0% (-2.0 p.p. y/y) of the result earned by all life insurance companies. This evidences the high profitability these products enjoy. PZU Życie's technical result margin on gross written premium was higher than the overall margin generated by other companies offering life insurance (22.8% versus 17.9%).

Insurance markets in the Baltic Countries and Ukraine

Lithuania

According to the Bank of Lithuania, gross premiums written in the non-life insurance market totaled EUR 1,207 million after November 2025, up 8.6% y/y.

Motor insurance remained the most significant insurance class on the market – 52.2% of all gross premiums written in non-life insurance. Within MTPL and MOD insurance, written premiums increased y/y by 6.8%. Increases were also recorded in property insurance (EUR 29 million, +12.7% y/y) and health insurance (EUR 13 million, +10.2% y/y).

As at the end of November 2025, there were eleven entities operating in the non-life insurance sector, including seven branches of insurance companies registered in other EU Member States. The combined market share of top four players in the non-life insurance market totaled 81.0%.

The PZU Group has been present on the Lithuanian market since 2002. Since November 2014, non-life insurance operations have been conducted under the Lietuvos Draudimas brand, which has also managed PZU's branch in Estonia since May 2015.

Lietuvos Draudimas is the leader of the non-life insurance market in Lithuania. At the end of November 2025, its market share was 30.4%.

As at the end of 2025, Lietuvos Draudimas recorded an increase in gross written premium by 10.8% y/y to EUR 405 million. The biggest growth was achieved in property insurance (up by EUR 14 million), MTPL insurance (up EUR 13 million), and MOD insurance (up EUR 6 million).

Gross premiums written collected by Lithuanian life insurance companies until November 2025 amounted to EUR 352 million, up 6.2% relative to the corresponding period of last year. Sales of insurance with regular premiums rose by 5.8% y/y (i.e., by EUR 18 million), while those with single premiums increased by 15.7% y/y (i.e., by EUR 2.0 million).

In the life insurance structure, unit-linked insurance represented the largest share at 80.6% of the market value. Traditional life insurance accounted for 7.2% of written premium. New sales in the annualized premium decreased by 4.5%. The volume of new sales growth was positively affected by economic development and labor force growth.

As at the end of November 2025, seven companies operated on the Lithuanian life insurance market. The said market was highly concentrated – the share held by the three largest life insurance companies in total gross written premium was 62.5%.

As at the end of November 2025, the largest life insurance company in Lithuania in terms of total gross written premiums was Compensa (22.2% market share), followed by Swedbank (21.0% market share) and Allianz (19.3% market share).

PZU Group's life insurance operations in Lithuania are conducted through UAB PZU Lietuva Gyvybės Draudimas (PZU Lithuania Life).

The gross written premium posted by PZU Lithuania Life as at the end of 2025 was EUR 28 million, up 9.2% from 2024. The company's share of the Lithuanian life insurance market stood at 7.2% after November 2025.

Latvia

According to data from the Bank of Latvia, at the end of Q3 2025, gross written premiums from non-life insurance amounted to EUR 512 million, which was EUR 24 million (+4.9%) more than after three quarters of 2024. Including health and accident insurance premiums collected by life insurance companies, the value of the insurance market stood at EUR 556 million, registering a y/y increase of 5.1% (+EUR 27 million).

The largest increases were recorded in health insurance (+EUR 15 million, +9.5% y/y) and property insurance (+EUR 11 million, +11.1% y/y). An increase of EUR 3 million (or +3.0%) was recorded in the area of MOD insurance. At the same time, a decrease of EUR 6 million (i.e., -6.4%) in MTPL insurance was registered as a result of the reduction in rates.

The most significant insurance groups are MTPL and MOD insurance, accounting for 16.2% and 20.7% of gross written premiums, respectively. Health insurance (30.0% of gross written premium) and property insurance

(20.5% of gross written premium) also have an important position in the product mix.

As at the end of September 2025, there were eleven insurance companies operating on the Latvian non-life insurance market; the top four insurers held 68.4% of the market.

In June 2014, the PZU Group was joined in Latvia by BALTA, which in May 2015 took over the PZU Lithuania branch operating in the Latvian market since 2012.

BALTA is the largest insurer by written premium in Latvia. At the end of Q3 2025, BALTA's share of the non-life insurance market was 29.7% (27.3% including premiums collected by life insurance companies).

In 2025, the gross premium written by Balta reached EUR 198 million, up 7.7% (EUR 14 million) relative to 2024. Greatest growth was observed in health insurance and property insurance.

Estonia

In 2025, gross written premium in non-life insurance amounted to EUR 589 million, down 2.0% in relation to the corresponding period of 2024.

The decrease in the market was reported in MOD insurance (-EUR 15 million, or -8.1%) and MTPL insurance (-EUR 14 million, or -10.4%). Its cause was the introduction of a new tax on purchased vehicles, which led to a significant decline in new car sales as well as a reduction in insurance premiums. The negative trend in the motor segment was partially offset by growth in property insurance (+EUR 11 million, +6.8% y/y) and health insurance (+EUR 1 million, +10.6% y/y).

In the sales structure of non-life insurance, motor insurance dominated, accounting for 49.9% of gross written premiums (including MOD at 29.6%). property insurance's share of gross premiums written stood at 28.4% and health insurance reached 2.5%.

As at the end of 2025, there were 13 companies operating in the non-life insurance sector (including 6 branches of foreign insurance companies), among which the top four held a combined market share of 64.7%.

Since May 2015, the PZU Group’s operations in Estonia have been conducted by the Lietuvos Draudimas branch, established through the merger of a branch of PZU’s Lithuanian subsidiary and the Estonia branch, which had operated under the Codan brand.

The share in the Estonian non-life insurance market in this period was 14.6% after December 2025.

Gross written premiums collected at the end of 2025 amounted to EUR 86 million, down 8.1% from 2024. The biggest reductions were in MTPL and MOD insurance.

Ukraine

At the end of June 2021, supervision of the insurance market in Ukraine was taken over by the National Bank of Ukraine (NBU), which increased the effectiveness of controls by monitoring the implementation of existing regulations and applying appropriate measures against violators.

As of March 2022, the NBU has regulated the operation of non-bank financial service providers under martial law, including by extending the deadlines for enforcement actions. In the wake of Russia's aggression against Ukraine, the NBU has clarified the application of selected legal acts to ease the burden on market participants, while introducing a number of restrictions to reduce new risks arising from the war.

After the third quarter of 2025, the Ukrainian insurance market, as measured by gross written premiums, recorded a 37.5% y/y increase to 52.7 billion hryvnias.

The premium accumulated in non-life insurance was UAH 48.4 billion, signifying 41.3% growth y/y. The highest growth rate was generated in the area of motor insurance, which occurred as a result of the entry into force of the new Act on Third Party Liability of Motor Vehicle Owners, introducing, among other things, the possibility of free pricing and expanding the list of vehicles covered by mandatory insurance.

After the full-scale war began, some insurers introduced products to protect against war risks, targeting both individuals and businesses. The new solutions include protection of life and health, vehicles and property. The increase in demand for property insurance, driven by the need to protect homes, buildings and factories from the effects of shelling, has become an important factor shaping the market.

There has been a steady decline in the number of insurance companies as a result of the NBU's regulatory actions. At the end of Q3 2025, there were fifty companies operating in the non-life insurance market, meaning that fourteen entities had ceased operations in the past twelve months.

As at the end of September 2025, insurance companies offering life insurance collected gross written premium of UAH 4.3 billion, signifying 5.5% growth compared to the corresponding period in 2024. Market concentration remains high; ten life insurance companies operated in Ukraine, with the five largest companies collecting 88.9% of gross written premiums.

On the Ukrainian market, the PZU Group operates the insurance business via two companies: PrJSC IC PZU Ukraine (PZU Ukraina) in non-life and other personal insurance, and PrJSC IC PZU Ukraine Life (PZU Ukraina Życie) in life insurance. In addition, LLC SOS Services Ukraine offers assistance services.

In 2025, gross written premium collected by PZU Ukraine amounted to UAH 3,391 million, or 50.8% more than in the previous year. The increase in sales was recorded primarily in motor insurance, in particular MTPL and Green Card insurance. In 2025, gross written premium collected by PZU Ukraine Life was UAH 409 million, up 3.6% from 2024.

In the first three quarters of 2025, PZU Ukraine captured 4.9% of gross written premiums in the non-life insurance segment, increasing its market share by 0.1 p.p. compared with the previous year and ranking eleventh. In the life insurance segment, PZU Ukraine Life maintained a strong position, ranking fourth with a 6.7% market share, recording a decrease of 0.2 p.p. compared with Q3 2024.

3.4. Polish health care sector compared to Europe

In UE countries in 2023, outlays on health care, defined as health services and prevention were estimated at 10% of GDP, compared with 8.9% in 2022.

Average health expenditures in UE countries *per capita*, by purchasing power parity, reached EUR 3,832 in 2023. Of this amount, 80% came from public sources and 20% was private spending. Norway spent the most on health care, Romania the least.

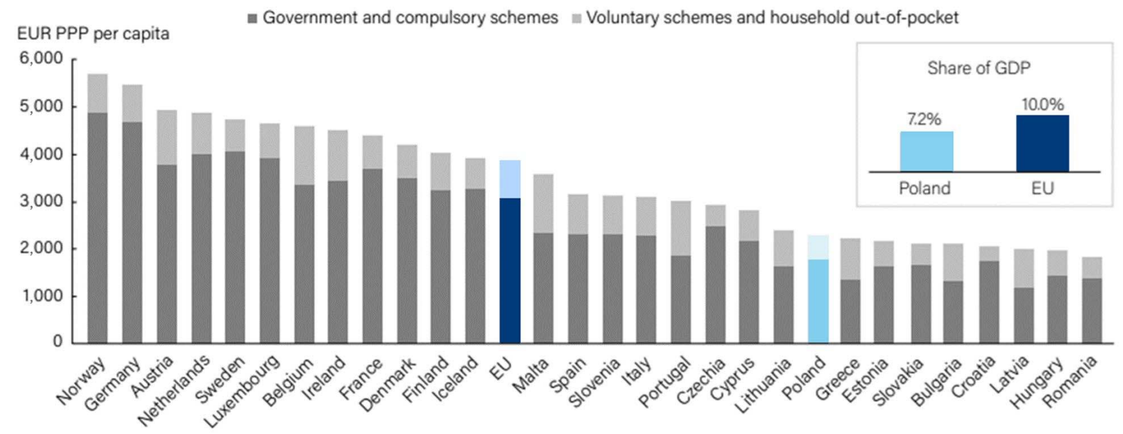
Healthcare spending *per capita* in Poland is at EUR 2,266, equivalent to 7.2% of GDP, and remains below the European Union average of 10% despite growth. Compared with countries belonging to the European Union, healthcare expenditure in Poland is among the lowest and exceeds *per capita* spending only in Greece, Estonia, Slovakia, Bulgaria, Croatia, Latvia, Hungary, and Romania.

The share of public financing in healthcare in Poland has been steadily increasing, and in 2023 it reached 77.8%, private household spending accounted for 15.7%, voluntary health insurance accounted for 6.5% of total healthcare spending.

In 2023, 37.2% of current healthcare spending is allocated to hospital services, compared to an EU average of 27.7%. Outpatient services accounted for 30.5%, which was also higher than the EU average of 27.6%. Spending on pharmaceuticals was 17.3%, close to the EU average of 18.4%. 7.8% of expenditures, less than half the EU average of 18.1%, were for long-term care, confirming the limited availability of formal services in this area. Spending on prevention also remained low, at 1.7% in 2023, compared to the EU average of 4%.

According to the OECD report, in 2023 Poland's rate of practicing physicians per 1,000 citizens was 3.9 against an average of 4.3 for the EU as a whole, and a rate of nurses of 5.9 per 1,000 population against an average of 8.5 per 1,000 across the European Union.

Healthcare spending *per capita* in Poland is well below the EU average



Note: The EU average is a weighted average (calculated by the OECD)
Sources: OECD Data Explorer (DF_SHA); Eurostat (demo_gind); data refers to 2023

Shortages of healthcare workers in certain specialties and regions persist, particularly in smaller counties surrounding large cities and in rural areas.

Poland has one of the lowest ratios of general practitioners/family physicians – 6.7% in 2023 compared to the total number of physicians in the EU – 19.9%, indicating incomplete implementation of a primary care model based on family medicine and the substitution of primary care services for those of internists and pediatricians. In addition, 20% of physicians are aged 55–64 years old, and 30% of nurses are aged 50–59, raising concerns about the long-term availability of health services.

The number of hospital beds in Poland in 2023 was 6.3 per 1,000 residents, higher than the EU average of 5.1. Initiatives under the National Recovery and Resilience Plan aim to balance the overall capacity of hospitals and convert some of the surplus intensive care beds into long-term care beds, among other things.

Mortality from treatable causes in Poland in 2022 remained above the EU average: the rate was 140 per 100,000 population, compared to the EU average of 90. The leading causes of death were ischemic heart disease (20%), pneumonia (14%), colorectal cancer (13%), stroke (11%) and breast cancer (8%). The high mortality rates are due to delayed diagnosis, limited access to primary healthcare and diagnostic tests, and shortages

20) The most up-to-date figures as at the date of publication of the Management Board's report on the PZU Group and PZU SA's activity

21) OECD Health at Glance report, Poland: Health System Profile 2023, https://www.gov.pl/web/oecd/raport-na-temat-sytuacji-w-obszarze-ochrony-zdrowia-w-panstwach-czlonkowskich-oecd

of medical personnel. The reforms envisioned in the RRP aim to improve access to oncology and cardiac care and standardize care within primary care.

The unfavorable trend in vaccination uptake continued in 2023, although the percentage of vaccinated infants against measles reached 91.8%, compared to 85.6% in 2021, it still remained below the EU average of 92.6% and the population threshold for measles elimination – 95%. The free HPV vaccine in 2024 was extended to boys and girls aged 9–14; in 2023, only 13% of children in this age group were vaccinated.

The rate of participation in screening under national programs for breast and cervical cancer is far below the EU average: in 2019 (the latest year available), 73% of respondents have had a cytological examination in the past two years, while only 16% according to the national program, 53.7% have screened for breast cancer versus 37.3% from the program. To increase participation, the age range of both programs was expanded in November 2023: mammography is available to women aged 45–74, cytology to women aged 25–64.

Adequate policies are needed to promote healthy living by prioritizing disease prevention, including through immunizations, supporting mental health at all ages and enabling people to manage their own health. The costs of inaction – both in terms of reduced healthy life years and economic burden – are too high. Projection models indicate that a coordinated “healthy aging” scenario could slow the growth of health care spending as a percentage of GDP in the coming decades and help contain long-term care costs while reducing the need for health and long-term care workers.[22]

3.4.1. The health care market in Poland

The health market in Poland is a growing and promising business area, both in the public and private payer areas. Its most important segments include National Health Fund-financed services, fee-for-service (FFS), medical subscriptions, health insurance, and drug and non-drug expenses.[23]

Market value

Estimated healthcare expenditures in Poland amounted to more than PLN 300 billion in 2024, of which a third is for private healthcare services, and the rest is financed by the National Health Fund, particularly in the segments of hospital care, outpatient specialist care services, and primary health care services.

According to PMR Market Experts, a market research and analysis firm in Central and Eastern Europe, the estimated value of the private healthcare market in 2024 approached PLN 90 billion, growing by double digits, with FFS products accounting for the largest share among medical services, nearly a third.

As of mid-2023, the National Health Fund increased valuations of services in specialized outpatient care. This has a positive effect on medical centers offering healthcare services under public financing. According to PMR Market Experts, medical inflation is still an important factor affecting the value of the private healthcare care market. The apparent trend of rising prices from 2022 onward will also continue in the years to come, and the above aspects will be particularly important for the prices of outpatient and physician services. The healthcare services market (fee for service, subscriptions, insurance) is sensitive to marked increases in the price of electricity and materials and raw materials, which raise operating costs.

In 2024, the growth rate for remunerations in private health care was as high as 9.4% y/y, which was mainly due to remuneration claims of white staff including physicians, nurses, physical therapists, physiotherapists, hygienists and dental assistants (which was a rate close to the forecasted for this year, being 9.3%).

Health insurance

The number of supplemental health insurance holders is growing every year. The vast majority of people holding these products are group policyholders, although there has been an increase in interest in individual policies since the outbreak of the pandemic. At the end of 2024, the number of people in Poland with private health insurance amounted to about 5.39 million, an increase of 12% y/y. In the course of this period, Poles spent nearly PLN 2.309 billion on private policies, up nearly 35.3% y/y. However, this represented only 2.7% of the total Polish insurance market and 22% of the private health care subscription market, which was worth a total of PLN 10.5 billion.

22) OECD “Health at a Glance 2024” Report, Health at a Glance: Europe 2024 - European Commission

23) The “medicine and non-medicine expenses” category includes: (1) patient spending on medicines (reimbursed, non-reimbursed Rx and OTC), dietary supplements and other products in pharmacies, and (2) patient spending on OTC medicines and dietary supplements outside of pharmacies (in convenience stores, including grocery stores, gas stations, drugstores, herbalists, herbal and medical stores, specialized supplement stores, sporting goods stores and others), including online sales in e-stores (including e-pharmacies) and sales platforms

PMR Market Experts forecast that the total value of the private healthcare market will grow at a high single-digit rate in 2025. Poland is still one of the European Union countries with a relatively low level of spending on healthcare, both *per capita* and in relation to GDP. Nevertheless, the private medical services segment is growing steadily. According to analysis by PMR Market Experts, its value – excluding drugs and paramedical products – will grow at an average annual rate of 7.6% until 2030.

In addition, the following is expected:

- further intensive development of telemedicine and service opportunities through remote channels;
- increasing number of persons outside working age and greater need to provide care to senior citizens;
- increasing public awareness of prevention and periodic examinations;
- persistently high inflation of medical services, in particular due to wage pressures from medical staff;
- increased interest in apps, platforms and digital solutions for prevention, health monitoring and therapy.

PZU Zdrowie's market position

PZU Zdrowie (Health Pillar in the PZU Group) is the leader of the health insurance market in Poland and remains among the largest companies in the overall private health care market, where the main competitors are the LUX MED Group and Medicover. In terms of the value of the Health Pillar's revenues, the PZU Group ranks third among nationwide medical operators with revenues at PLN 1.9 billion in 2024, an increase of 18.1% y/y.

3.5. Polish banking sector compared to Europe

Assets of the Polish banking sector – value and structure compared to Europe

The Polish banking sector, measured by the value of its assets, is in the middle of the ranking of European markets. According to the figures of the European Central Bank (ECB), at the end of 2024, the Polish banking sector's assets totaled EUR 786.0 billion (up +12.7% y/y). France has the largest banking sector in the EU (EUR 10,016.7 billion) and Latvia the smallest (EUR 24.8 billion). The assets of European banks in the UE-27 as at the end of 2024 exceeded EUR 40.0 trillion (about EUR 36.1 trillion in the same eurozone).[24]

The asset-to-GDP ratio in Central and Eastern Europe remained markedly lower than in the eurozone, due in part to banks' concentration on traditional deposit and credit functions. In Poland, the banking sector's asset-to-GDP ratio was one of the lowest in the EU – 93% at the end of 2024 (+4 pp. y/y), compared to 231% in the eurozone and 208.1% in the EU as a whole.[25]

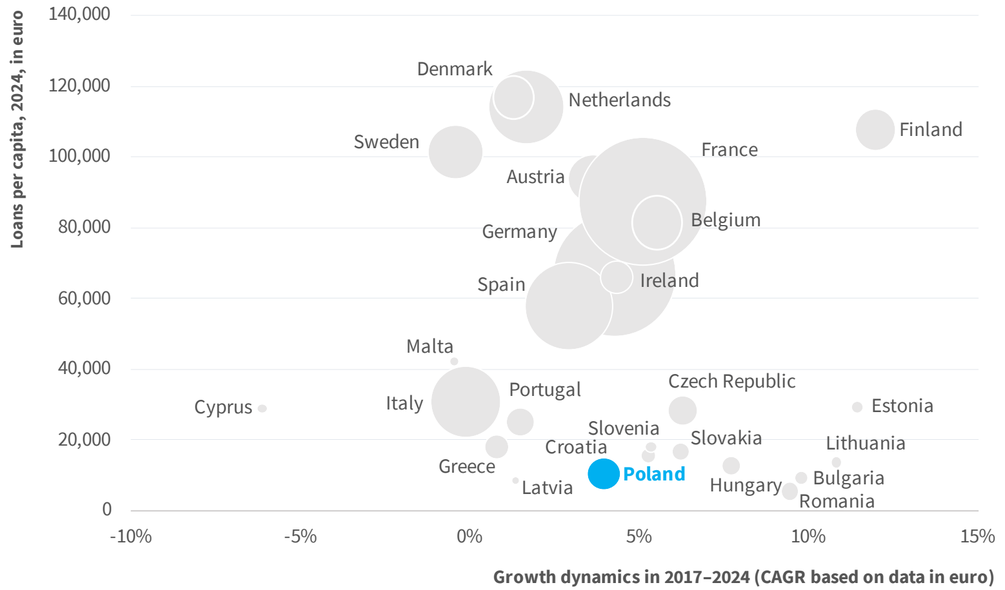
In 2024, securities, mainly bonds issued and guaranteed by the Treasury, played an important role in the structure of banks' assets. The value of the portfolio of these instruments increased significantly and was, in relation to the sector's assets, one of the highest among EU member states . At the same time, this structure was reinforced by a very low level of exposure to private debt securities, due to, among other things, an underdeveloped secondary market for non-Treasury debt securities. This means that the Polish banking sector stood out against the European backdrop with an exceptionally strong link to the domestic sovereign debt market, which was a key difference in the construction of balance sheets compared to the more diversified asset structures observed in many EU countries.[26]

Receivables from the non-financial sector have traditionally remained the largest asset category for banks, but the scale of investment in debt securities increased significantly since the beginning of 2020, consistently narrowing the gap between the share of loans and securities on the balance sheet – from about 20 p.p. before 2020 to about 1.5 p.p. in 2024. This change was driven by weaker demand for credit and limited debt accretion on the one hand, and a steady increase in debt investment on the other.[27]

In 2024, the largest contribution to asset growth came from an increase in the securities portfolio (albeit less than a year earlier), with the first increase in non-financial entity loans since the end of 2021. The increase in total assets was also supported by temporarily higher cash and receivables at the central bank, related to short-term liquidity management at the turn of the year, as well as items related to BGK's special-purpose fund activities.[28]

The Polish banking sector operates according to the classic financial intermediation model, in which banks extend credit to the non-financial sector, financing it with client deposits. At the end of 2024, loans to the non-financial sector accounted for 36% of Polish banks' assets, down from 38% in 2023.[29] At the same time, the overall share of loans in assets was 49%, remaining below the average for European Union Member States, which is around 61%.[30]

Loans per capita (2024, EUR) in relation to the insurance market growth rate (2017–2024)

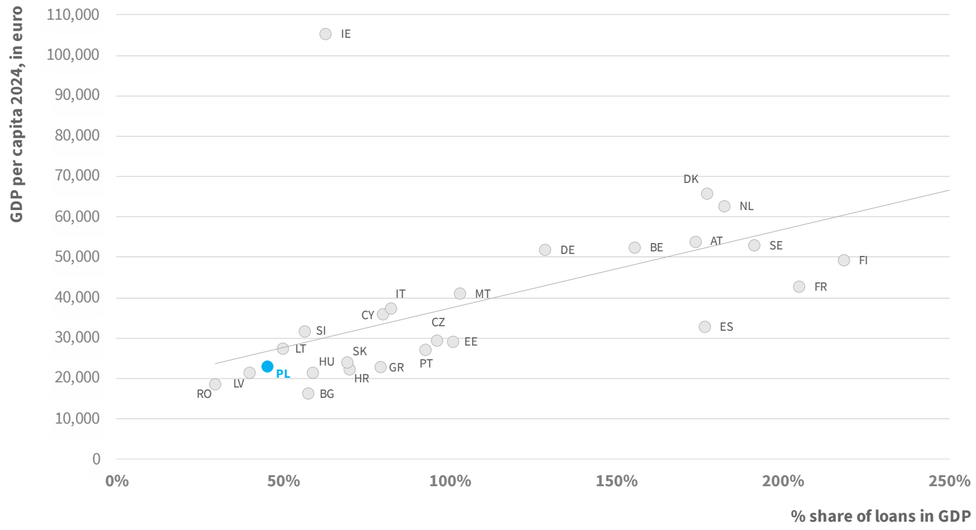


Source: Own calculations based on Eurostat and European Central Bank data

* the size of the circle reflects the scale of the value of a country's credit market – the greater the value of loans, the larger the circle

24) EBC data, data.ecb.europa.eu; Eurostat
25) National Bank of Poland (NBP), Rozwój systemu finansowego w Polsce w 2024 r.; EBC data, data.ecb.europa.eu
26) National Bank of Poland, Rozwój systemu finansowego w Polsce w 2024 r.
27) National Bank of Poland, Rozwój systemu finansowego w Polsce w 2024 r.
28) National Bank of Poland, Rozwój systemu finansowego w Polsce w 2024 r.
29) Figures from the National Bank of Poland
30) ECB data, data.ecb.europa.eu

Share of loans in GDP (2024, %) to GDP per capita (2024, EUR)



Source: Own calculations based on Eurostat and European Central Bank data

Loans of the Polish banking sector

At the end of 2024, the value of loans in the Polish banking sector amounted to EUR 381.6 billion, which places Poland in the middle of the European Union countries. For comparison, the average value of loans granted in the European Union in 2024 was EUR 925.6 billion.[31]

However, Poland's banking sector remains small in relation to GDP. In 2024, with weakened loan demand and high nominal GDP growth, the credit-to-GDP ratio declined. Bank loans in the Polish banking system are at the level of 45% of GDP, while the European average is 123%. Finland (218%) and France (205%) have the highest loan-to-GDP ratios.[32]

In 2024, an improving economy and a very good labor market situation fostered an increase in demand for loans. Credit growth was facilitated by, among other things, strong real wage growth in the first half of the year and an easing of lending policy conditions following the interest rate cuts of late 2023. Although banks were cautious in implementing the changes, the trend in the second half of 2024 was toward easing the criteria – especially for consumer loans and financing for small and medium-sized enterprises. Despite the improvement in market conditions, the credit-to-GDP ratio has not increased, remaining low against the European background.[33]

Business loans

Poland's corporate loan market in 2024 was still characterized by a relatively low share of corporate loans compared to total loans to the non-financial sector. The ratio remained at around 36%,[34] which still placed Poland among the European Union Member States with the lowest share of business loans.

The dynamics of loans for companies in 2024 was improving, with growth based primarily on loans of an investment nature; current financing debt only began to increase in the second half of the year. However, the use of bank loans by companies remained limited for structural reasons: companies traditionally financed their operations mainly with their own funds, while foreign debt and the gradually increasing use of leasing were also important. In addition, in NBP surveys, companies indicated a decline in interest in credit for the second year in a row, with the scale of third-party financing declining from 2022, which translated into a lower share of loans and advances in the balance sheet total of companies than in the multi-year average.[35]

Household loans

In 2024, the annual growth rate of housing loans gradually increased. Since March, household debt on this account increased on an annual basis for the first time since mid-2022. Growth was supported by improved creditworthiness, driven by strong real wage growth, and the temporary effect of the “Bezpieczny Kredyt 2%” program (2% Secure Loan). Although the acceptance of applications ended in 2023, loans granted under this program were still being launched in the first half of 2024, bolstering lending. At the same time, the dynamics of mortgages were undermined by increased overpayments and early repayments, which, according to BIK data, reached about PLN 44 billion – by value, more than half of new lending in 2024. In addition, the balance of mortgages fell due to a rapid decline in the value of foreign currency loans (about PLN 15 billion, -21.2% y/y), related to current repayments, conversions to PLN and cancellation of contracts.[36]

Consumer loan debt also grew in 2024, with the fastest growth in cash loans – especially high-cost loans, which were 45% higher than a year earlier. Consolidation loans were also a significant part of the new stock, used to pay off households’ previous obligations. As a result, the growth in consumer loan balances (6% y/y) was significantly lower than the growth rate of new lending, reaching about 25% y/y.[37]

31) ECB data, data.ecb.europa.eu
32) ECB data, data.ecb.europa.eu; Eurostat; excluding Liechtenstein exceeding 535%, where a significant portion of contributions were generated by cross-border activities
33) National Bank of Poland, Development of the Financial System in Poland in 2024
34) Figures from the National Bank of Poland
35) National Bank of Poland, Development of the Financial System in Poland in 2024
36) National Bank of Poland, Development of the Financial System in Poland in 2024
37) National Bank of Poland, Development of the Financial System in Poland in 2024

Structurally, housing loans remain the largest category of loans to the non-financial sector: at the end of 2024, they accounted for about 42% of the portfolio. In the last decade, their structure changed significantly – the share of foreign currency loans decreased to 12% (and, after taking into account provisions, to about 1%), a consequence of the multi-year extinction of this product. In 2023 and 2024, the share of fixed-rate or periodically fixed-rate loans also increased markedly, both among new loans and those remaining on banks' balance sheets, although variable-rate loans continue to dominate against the EU average. A further shift in the structure towards a fixed rate may be reinforced by the entry into force of the FSA's recommendation on the long-term funding ratio (WFD) from the end of 2026.[38]

The changes observed in 2024 are part of the long-term evolution of the domestic mortgage market. Mortgage loans are the largest category of household loans, with a share of 62.0%.[39] Their relatively lower importance in banks' assets compared to Western European countries is due, among other reasons, to the fact that they are a relatively new product in Poland. For comparison, in 2005, said share in household loans amounted to around 30% in while in some Western European countries it exceeded 80%.

Non-financial sector deposits

In Poland, to a greater extent than the average for the European Union, banks finance their business with deposits from the non-financial sector. At the end of 2024, they accounted for 58.6% of the banking sector's balance sheet total, and as much as 63.5% of total non-financial sector deposits were deposits from individuals.[40] Debt financing, excluding BGK's issuance of special purpose funds, remained marginal, with its low share due to the availability of cheaper deposits and weak demand for credit, among other factors. At the same time, the entry into force of the MREL target requirement increased the nominal value of eligible liabilities, including bond issues. The structure of bank financing in Poland remained stable, with the dominant role of non-financial sector deposits, especially households.[41]

Non-financial sector deposits were the main driver of growth in banks' liabilities in 2024, with household deposits growing most strongly, increasing by PLN 121.1 billion thanks to favorable labor market conditions, a low unemployment rate, and high real wage growth. Corporate deposits grew more slowly, but their value still exceeded the level of corporate loan debt – an effect that persisted since the pandemic. The term structure was dominated by current deposits and short-term household deposits, while businesses mainly increased time deposits. At the same time, the negative funding gap was widening – faster growing deposits in relation to lending led to its level of PLN 729 billion (-61% of total assets) at the end of 2024. Debt financing continued to be of limited importance, although banks increased issuance of domestic debt instruments, mainly to meet MREL requirements; pressure for further increases in issuance is expected to build up as the WFD requirement goes into effect from 2026.[42]

3.5.1. Situation on the banking market in Poland

The year 2025 was marked by interest rate cuts, which fell by a total of 175 bps. In 2025, the banking sector continued to experience positive growth in interest income, with profitability negatively affected by rising operating costs.

At the end of 2025, there were 30 commercial banks, 489 cooperative banks, and 34 branches of credit institutions and foreign banks. The banking network comprised a total of 4,866 branches, 2,152 offices, agencies and other customer service outlets, and 2,520 representative offices. Therefore, the banking network comprised a total of 9,538 outlets, i.e., 168 fewer outlets than at the end of 2024.

Headcount in the banking sector at the end of December 2025 rose to 149.2 thousand people and was higher by 2,462 (+1.7%) than at end of 2024.

In 2025, the banking sector generated a net profit of PLN 49.0 billion, compared to PLN 40.2 billion in the corresponding period of 2024, up PLN 8.7 billion. What had the largest impact on the higher net result was interest income (up by 3.4 billion y/y), mainly due to an increase in interest income (+PLN 3.0 billion y/y) with a simultaneous decrease in interest expense (-PLN 0.4 billion y/y). At the same time, net income was negatively impacted by a PLN 4.2 billion y/y increased in bank operating expenses and depreciation and amortization combined. Net interest margin decrease to 3.55% at the end of December 2025, compared to 3.80% at the end of December 2024.

In 2025,[43] the return on equity (ROE) of the banking sector was 16.33%, representing an increase by 0.74 p.p. y/y. The return on assets (ROA), in turn, amounted to 1.39% in December 2025, that is an increase by 0.11 p.p. compared to December 2024. The R/I ratio[44] (the ratio of the banking sector's burden of operating income on provisions and write-offs) fell by -4.2 p.p. y/y to 11.6% at the end of December 2025. The C/I ratio[45] increased across the entire sector to 43.7% at the end of December 2025 from 43.4% at the end of December 2024.[46]

38) National Bank of Poland, Development of the Financial System in Poland in 2024
39) Figures from the National Bank of Poland
40) Figures from the National Bank of Poland
41) National Bank of Poland, Development of the Financial System in Poland in 2024
42) National Bank of Poland, Development of the Financial System in Poland in 2024
43) ROA and ROE indicators – the relation of the sum of the financial result of 12 consecutive months to, respectively, average assets and average capital in the same period of 13 consecutive months. ROE relates to the aggregate commercial and cooperative banking sector (without branches of credit institutions), ROA relates to the entire banking sector.
44) R/I ratio – relation of write-offs and provisions (provisions + impairment or reversal of impairment) to revenue (total net operating income) – rolling average from 12 months.
45) C/I ratio – relation of costs (costs of an operation + depreciation of fixed assets and intangible assets) to revenue (total net operating income) – rolling average from 12 months.
46) KNF, monthly data of the banking sector as of the end of December 2025

At the end of December 2025, the asset value of the banking sector was PLN 3,658 billion, up 9.7% from December 2024.

In December 2025, the value of loans in the non-financial sector amounted to PLN 1,223 billion, an increase of 6.8% compared to December 2024. Business loans increased by PLN 32 billion (+7.9% y/y) to the level of PLN 433 billion at the end of December 2025. Growth by PLN 46 billion (+6.3 y/y) to PLN 781 billion was noticeable in household loans.

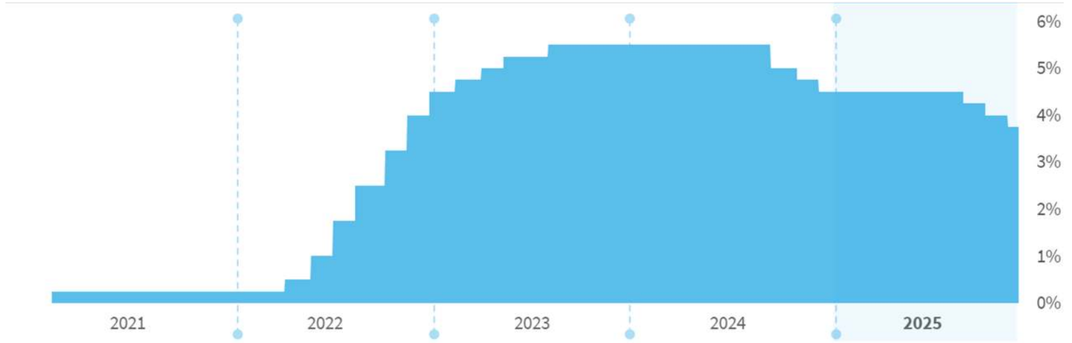
At the end of December 2025, the value of deposits of the non-financial sector was PLN 2,125 billion, an increase of 8.6% compared to December 2024. In the structure of non-financial sector deposits, corporate deposits recorded the highest growth of 13.5%, and amounted to PLN 612 billion at the end of December 2025. Household deposits grew by 6.9% y/y to 1,472 billion at the end of December 2025.

The banking sector's own funds for capital ratios, calculated in accordance with the regulations laid down in the CRR Regulation, were at PLN 282 billion at the end of September 2025, up 10.0% from the end of September 2024.

In 2025, the sector's capital situation remained stable. The banking sector's total capital ratio at the end of September 2025 was 21.48%, while the Tier I capital ratio at the end of this period was 19.81%.

3.6. Financial markets in Poland and around the world

Key Fed interest rate (upper limit)



3.6.1. Global and local equity and bond market

The year 2025 was marked by increases in stock markets and decreases in bond yields.

The decline in inflation in key markets has created space for major central banks to continue cutting interest rates in 2025. The exception was the BoJ, which raised interest rates. Progressive cycles of interest rates lowering favored the stock and bond markets. A temporary deterioration stock markets valuations occurred during the Donald Trump administration's implementation of tariffs. The NBP MPC's continued rate cuts favored the debt market and equity valuations in the domestic market, although rising government debt had an upward effect on the slope of the yield curve. The inflow of KPO funds and the decline in geopolitical risks helped PLN.

Interest rates

Banks of developed countries – FED, ECB, BoJ, PBC

In 2025, almost all central banks in developed countries, with the exception of Japan, remain in the process of reducing interest rates. The motivation for the reductions was the expiring secondary inflationary effects, following the shock of 2021–2022. Consequently, on an annual basis, the Fed cut rates to 3.75%, from 4.50%; the PBC to 3.0%, from 3.10%; the ECB to 2.15%, from 3.15%; the BoE to 3.75%, from 4.75%; and the SNB to 0.0%, from 0.50%. These processes had the background of introducing tariffs by the US, an argument often used by the Fed to slow down interest rate cuts. In Europe, persistently low activity in the main eurozone countries, with a rebound in the periphery and the expectation of positive effects of fiscal stimulation in Germany, argued in favor of the reductions. In China, a gradual slowdown in GDP growth was noticeable. The exception was Japan, where the central bank raised interest rates twice, to 0.75%, from 0.25% at the beginning of the year. This was motivated by faster-than-expected wage growth, inflation and geopolitical uncertainty.

Banks of emerging markets

Central banks in most developing countries were also reducing interest rates, whether in Europe, Asia or South America. The exceptions were Brazil, Bolivia, Ukraine, and Belarus, which, hit by rising inflation, raised interest rates, and Romania, Venezuela, and Vietnam, which left them at relatively high levels. In both of the latter two groups of countries, this was the result of a temporary rebound or sustained increases in inflation.

National Bank of Poland

In Poland, interest rates declined rapidly, from 5.75% to 4.0%. This was caused by a declining of annual price dynamics, driven largely by declines in food prices and imports from China, disinflation of manufactured goods. Thus, rates in Poland tried to catch up with the progress the rates of Poland's closest EU neighbors in 2024 and partly in the first half of 2025.

Bond markets

Underlying markets

The beginning of 2025 was marked by a reduction in yields on U.S. and German Treasury securities. Driving the changes were expectations of interest rate cuts fueled by concerns about the U.S. labor market, weak macro data from the countries of the European center and stabilizing inflation rates. The turn of the first and second quarters brought a paradigm shift in German fiscal policy to a more expansionary one, as well as concerns about rising inflation in the U.S. as a result of tariffs introduced by the Trump administration. Consequently, there was a rise in government bond yields on both sides of the ocean. In the case of the German market, after a downward correction of the rally from the end of the first quarter, yields went steadily upward for the rest of the year. The changes were driven by the fiscal package, expectations of a rebound in demand and the ECB's slowing of rate cuts. In the case of U.S. bonds, after the shock of the tariffs, yields slowly moved downward in response to the Fed's continued rate cuts.

As a result, on an annual basis, the U.S. Treasury bond yield curve lowered to 3.47% from 4.25% for 2Y, to 3.73% from 4.38% for 5Y, and to 4.18% from 4.58% for 10Y. German bonds, meanwhile, increased to 2.10%, from 2.08% for 2Y, to 2.45%, from 2.15% for 5Y and to 2.85%, from 2.36% for 10Y.

Emerging markets

The start of 2025 for the dollar-denominated JP Morgan Emerging Markets Bonds ETF index was relatively stable. As with U.S. bonds, the value of the index fell in response to the announcement of tariffs by the U.S. administration, which investors believed could negatively affect the debt market. Beginning in April, almost until the end of 2025, the value of the index rose almost steadily in the wake of falling yields on U.S. Treasury securities benefiting from rate cuts by the Fed.

Poland

Yields on domestic government bonds began 2025 at relatively high levels. The end of Q1 lowered yields, which accelerated after surprises of low inflation and announcements of rate cuts by the MPC. Q2 saw a correction following the underlying markets. Beginning in late June and early July, yields fell almost steadily, helped by low inflation and successive rate cuts by the MPC.

Consequently, government bonds' yields closed at the end of 2025 with 3.82%, up from 5.17% at the end of 2024 for 2Y, at 4.57%, up from 5.65% for 5Y, and at 5.17%, up from 5.90% for 10Y.

Stock markets

Developed countries

In 2025, the core equity markets rose in anticipation of interest rate cuts. A clear pause occurred at the end of Q1 and beginning of the Q2, when stock indexes reacted negatively, temporarily, to the announcement of U.S. tariffs. Finally, on a y/y basis, the DAX index rose 27%, the TOPIX by 22.4%, and the S&P by 16.4%. The relatively largest increase in the DAX was a consequence of expectations of a positive impact from Germany's shift to a decidedly expansionary fiscal policy, while the relatively small S&P was a consequence of concerns about the under-priced impact on inflation of increased tariffs in the U.S. Representing global equity markets, the iShares MSCI Acwi ETF rose by 20.4% for the year.

Emerging countries

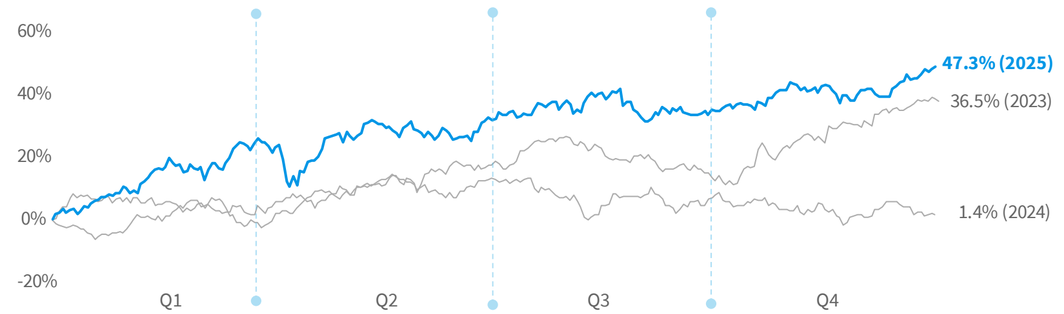
Representing emerging markets, the dollar-denominated iShares MSCI EM UCITS ETF index grew in line with the core markets in 2025. There was some collapse in growth at the end of Q1 and beginning of Q2, following the stock market indices of developed economies in reaction to plans to introduce tariffs in the U.S. In the end, it recorded a year-on-year appreciation of 32.3%.

This good picture was spoiled by some Southeast Asian countries, such as Bangladesh and the Philippines, and Argentina, plagued by political instability, the impact of U.S. tariffs, and fears of bankruptcy. Declines also hit Turkey, where the stock market was hurt by high inflation and political uncertainty. South Korea stood out positively, with the KOSPI index rising by 79.8%.

Poland

The WIG and WIG20 indices appreciated in 2025 following the expectations of better macro performance and a rebound in the major eurozone economies. The disruption in the growth of the indices occurred at the end of Q1 and beginning of Q2 following reductions in the underlying markets, triggered by concerns about the introduction of tariffs by the U.S. authorities. A second pause in the increases occurred in late August and early September in response to the announcement of bank taxation, concerns about the introduction of energy tariffs that could negatively affect the valuations of companies in the energy sector, disappointing results from some companies and deteriorating global sentiment.

WIG index



Foreign exchange markets

Core markets

By 2025, the EUR/USD exchange rate rose to 1.1750, from 1.0389, thus reacting to expectations of a slowdown in the U.S. vs. rising expectations of economic improvement in the major eurozone countries. Neither the high rate differential between the Fed and the ECB, nor the slower pace of rate cuts by the former, hindered the depreciation. Geopolitical tensions generated by the U.S. administration, only temporarily translated into dollar strengthening. The USD/JPY exchange rate moved to 156.8, from 157.37, following the normalization of rates in Japan, whose usually extremely low levels weakened the yen. USD/CNY declined to 6.9931, from 7.2993, in response to China maintaining a significant trade surplus, despite U.S. tariffs and stable Chinese consumption.

Emerging markets

Among the most heavily losing currencies of significant emerging markets to the U.S. dollar in 2025 were the Argentine peso, which depreciated by 29.3%, following political instability and bankruptcy fears; the Turkish lira, at 17.8%, which was also weighed down by political instability and low confidence in the ability of the central bank there to bring inflation down quickly; at the bottom of the pile was the Indian rupee, at 4.8%, which was not helped by a high trade deficit.

On the other side was the Mexican peso, which gained 15.8%, on the back of relatively high rates and strong investment inflows, the South African rand +14.1%, in response to improved central bank credibility and favorable developments on the fiscal policy side, and the Brazilian real +12.9%, which gained following relatively good exports and high rates.

The currencies of Poland's neighboring countries, similarly to PLN, gained against the euro, the Czech koruna 4.2% and the forint 7.0%, benefiting from an improving economic outlook for Europe and a decline in geopolitical risks.

Poland

In 2025, the EUR/PLN exchange rate went down to 4.2267, from 4.2730, and USD/PLN – to 3.6016, from 4.1012. The driver for the appreciation of PLN against EUR was investors' anticipation of solid economic growth, inflows of KPO funds and speculative capital inflows, in anticipation of rate cuts. The strong rise to the USD is a derivative of the weakening of the U.S. currency against the EUR. The CHF/PLN exchange rate moved to 4.5390 from 4.5371 during this period. Stabilizing the exchange rate of the Swiss franc against the zloty was the strengthening of the latter against the euro, in the face of numerous geopolitical tensions.

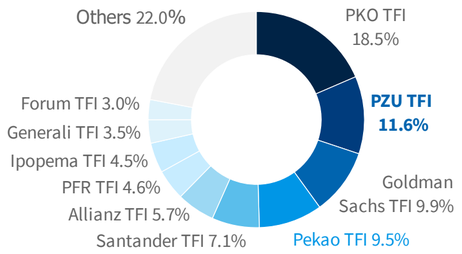
3.6.2. Polish investment and pension fund market

Mutual funds market

As at the end of 2025, assets under management of domestic investment funds were above PLN 435.1 billion (at the highest level in history), compared to PLN 379.3 billion at the end of 2024, representing an increase by over 14.6% (+PLN +55.6 billion). For a result similar to that of the previous year. In 2024, assets rose by PLN 55.9 billion.

In 2025, debt funds strengthened their leading position, increasing assets under management to PLN 207.7 billion (+ PLN 52.9 billion, +34.1% y/y), and fund market share by 7 p.p. to 47.7%.

Investment fund companies (TFI) – share in TFI assets as at 31/12/2025 (in %)



Source: IZFiA

In terms of annual growth (percentage), ECS funds saw the largest increase in assets (+50.2% y/y), which at the end of December reached PLN 39.7 billion (data for TFIs only, excluding PTEs and TUs). Last year, most TFIs achieved growth in assets under management, counted at a double-digit rate. The net asset value of five TFIs declined over 2025.

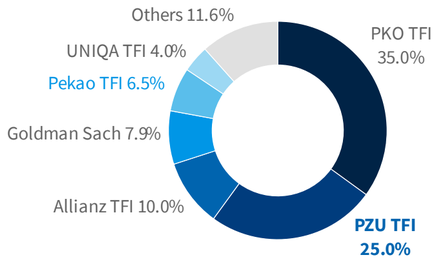
Employee Capital Schemes

The net asset market value of the target date funds under the Employee Capital Schemes totaled over PLN 45.16 billion at the end of 2025, compared to PLN 30.27 billion at the end of 2024, an increase of 49.19% on a yearly basis. The net asset value of ECSs managed by TFIs amounted to PLN 39.74 billion at the end of 2025.

In 2025, further contributions from employees (2-4% of gross remuneration), employers (1.5-4% of employee gross remuneration), as well as welcome (PLN 250) and annual (PLN 240) surcharges from the state, were regularly paid for the ECS.

The number of employees enrolled in ECSs significantly contributed to the increase in assets. As at the end of 2025, there were 1,033,973 people enrolled in TFI PZU compared to 2024 (913,242), an increase of 13.22% y/y.

Investment fund companies (TFI) – share in ECS assets as at 31/12/2025 (in %)

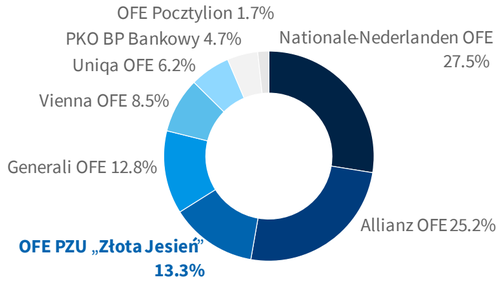


Source: Chamber of Fund and Asset Management (IZFiA), Polish Financial Supervision Authority (KNF), DDF net asset value by managing institutions, data for TFIs only, excluding PTEs and TUs

Pension funds market

At the end of 2025, the net assets of open-ended pension funds amounted to more than PLN 294 billion, an increase of 38% compared to the end of 2024. The increase in the value of assets was mainly influenced by the good situation in the capital markets, which recorded significant increases in stock prices.

Open-ended pension funds – share in net assets as at 31/12/2025 (in %)



Source: KNF, monthly data on the OFE market, data for December 2025

Voluntary Pension Funds

In 2025, contributions to DFE PZU totaled more than PLN 382.9 million. At the end of 2024, DFE PZU remained the IKZE market leader in the voluntary pension fund segment, in terms of both the number of accounts (55.8% of all accounts) and the value of assets (49.1%).

In 2025, contributions to PZU's DFE totaled more than **PLN 382.9 million**.

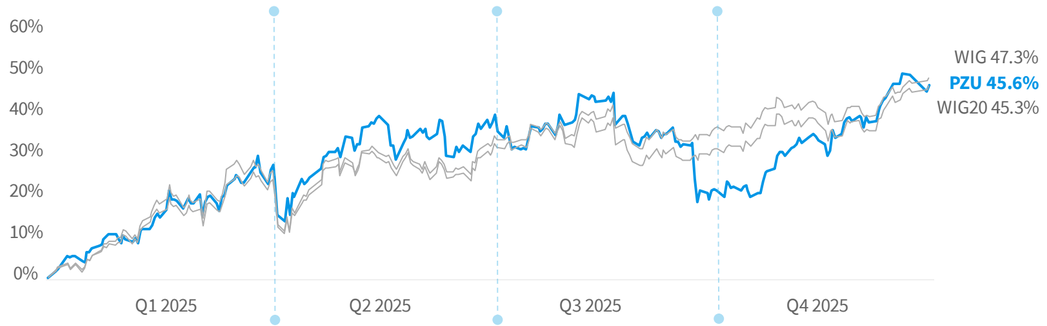
3.6.3. Main factors affecting PZU share prices

PZU made its début on the Warsaw Stock Exchange (WSE) on 12 May 2010. Since its flotation, it has been included in its most important index, namely WIG20 , calculated on the basis of the portfolio value of the 20 largest and most heavily traded companies on WSE's main market. PZU also belongs to the following Polish indices: WIG, WIG30, WIG-Poland, WIGdiv, WIG20 TR, WIG.MS-FIN, CEEplus, WIG ESG (sustainable development index) and the following international indexes: MSCI Poland (emerging markets), Stoxx Europe 600 (developed markets) and FTSE Russell midcap index (developed markets).

Warsaw Stock Exchange indices

In 2025, the Polish blue chip index (WIG20) oscillated within a broad band between 2,221 and 3,184 points. The variance between these points was 963 points and was 493 points higher than that observed in the corresponding period of 2024 (470 points). In 2025, WIG20 rose by 45.3% y/y, or by 52.5% y/y if dividends are taken into account (WIG20 TR). The WIG broad market index gained 47.3% y/y. The situation of small and medium companies indexes was slightly better, sWIG80 and mWIG40 gained 25.4% and 33.6% y/y, respectively.

PZU share price versus WIG and WIG20



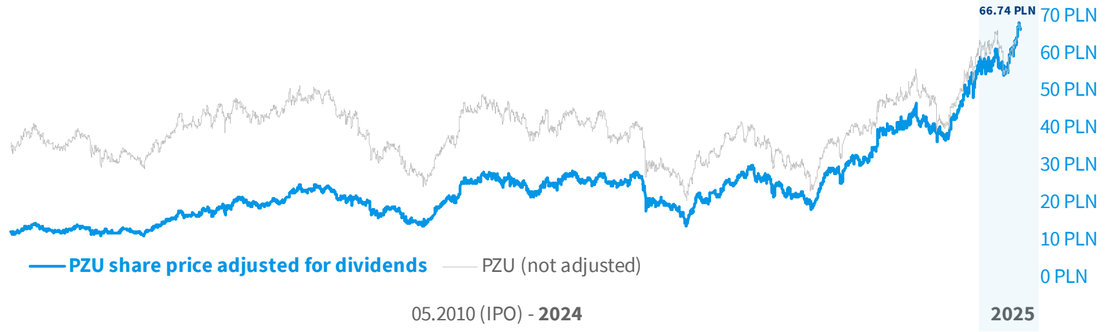
Source: www.stooq.pl

PZU's share price

PZU shares in 2025 followed the major indexes of the Polish stock market, staying in a strong upward trend for most of the year. The decline in share price seen in the chart below at the end of Q3 2025 is the result of the dividend cut from the share price on September 24 (the dividend date was 25 September 2025). On a dividend-adjusted chart, PZU's stock price remained in strong correlation with the major indices of the Polish stock market.

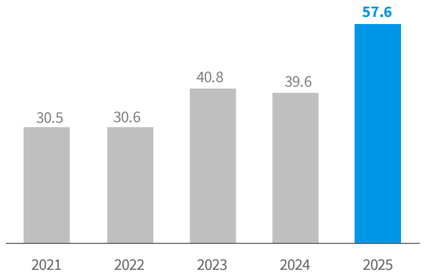
At the last session in 2025, PZU shares were valued at PLN 66.7, an increase of 45.6% y/y (excluding adjustment for dividends paid per share - PLN 4.47). After adjusting the share price for dividends, the total return on PZU shares was 57.2% in 2025, 4.7 p.p. above the WIG20 TR income index. The highest closing price level was PLN 67.92 (19 December 2025).

PZU share price adjusted for dividends paid

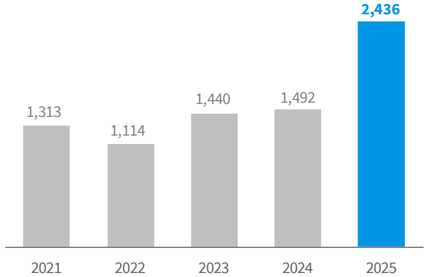


Source: www.stooq.pl

Capitalization of PZU in PLN billion



Capitalization of WSE in PLN billion (domestic and international companies)



Theoretical capitalization of PZU (after adjustment for dividends paid since PZU's IPO on the WSE*)

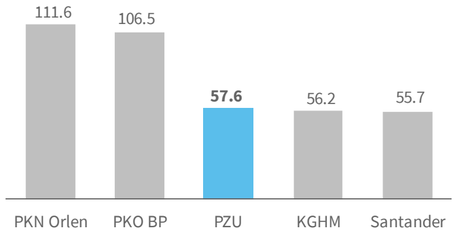
	2021	2022	2023	2024	2025
Theoretical price at the last session of the year (PLN)	64.93	66.94	81.19	84.10	**109.47**
Theoretical capitalization at the end of the period (PLN million)	56,072	57,808	70,113	72,626	**94,533**

Source: https://gpw.pl/, PZU, * excluding dividend reinvestment

Capitalization

The stock market value (capitalization) of PZU at the end of 2025 was PLN 57.6 billion (up 45.6% y/y, excluding dividend), placing it 3rd (up 1 position y/y) in terms of market price among Polish companies listed on the WSE. PZU's share in WSE's total trading volume was 5.5% (7th place – no change y/y).

Capitalization of the largest domestic companies on the WSE in billion PLN



Indices

PZU's shares*	2021	2022**	2023	2024	2025
C/WK (P/BV) Market share price / book value per share	1.4x	1.2x	1.4x	1.2x	1.6x
WKNA (PLN) BVPS (PLN) Book value per share	25.6	30.3	34.8	37.2	41.1
C/Z (P/E) Market share price / net return per share	9.2x	8.1x	7.1x	7.4x	8.6x
ZNA (PLN) EPS (PLN) Net profit (loss) / number of shares	3.9	4.4	6.7	6.2	7.8

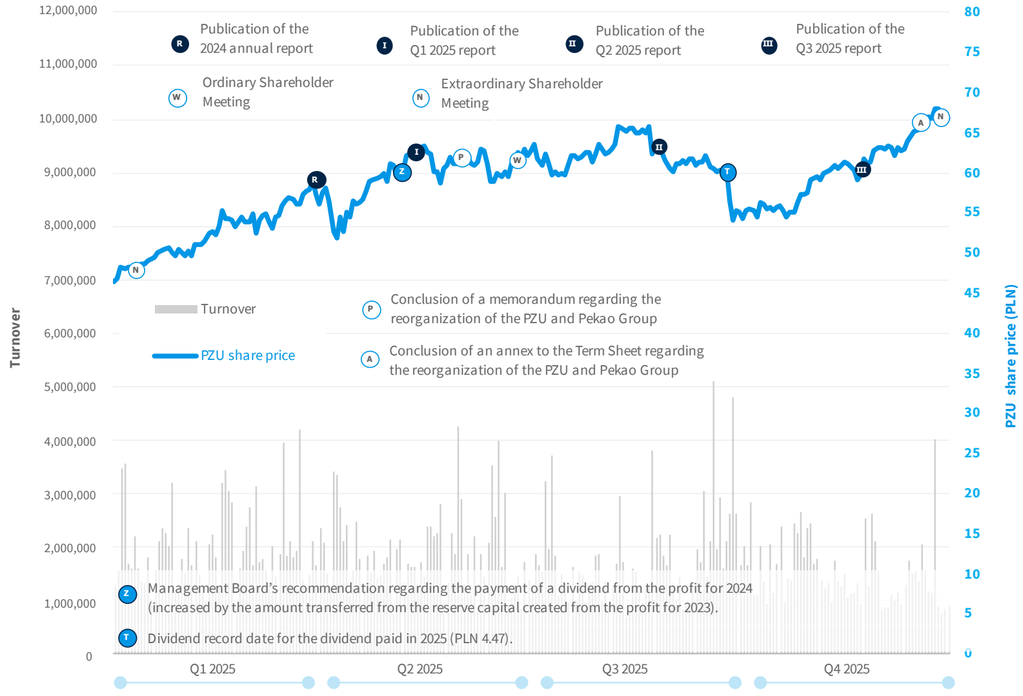
* calculations based on the PZU Group figures (in line with IFRS); share price and book value as at end year; net profit for 12 months; number of PZU's shares: 863,523,000

**) data – restatement of comparative data resulting from the application of IFRS 17

PZU's shares-related statistics	2021	2022	2023	2024	2025
Maximum price (PLN)	41.65	37.82	48.90	55.50	67.92
Minimum price (PLN)	29.27	23.16	31.63	39.15	45.60
Theoretical price at the last session of the year (PLN)	35.35	35.42	47.27	45.84	66.74
Average price per session (PLN)	35.86	30.97	40.13	47.14	58.62
Turnover value (PLN million)	18,565	14,645	17,692	20,945	25,980
Turnover (items)	517,939,229	472,866,103	436,702,363	447,904,241	447,150 041

Source: https://gpw.pl

PZU share price* against corporate events in 2025



QR codes (links to video recordings of earnings conferences)

R Publication of the 2024 annual report

I Publication of the Q1 2025 report

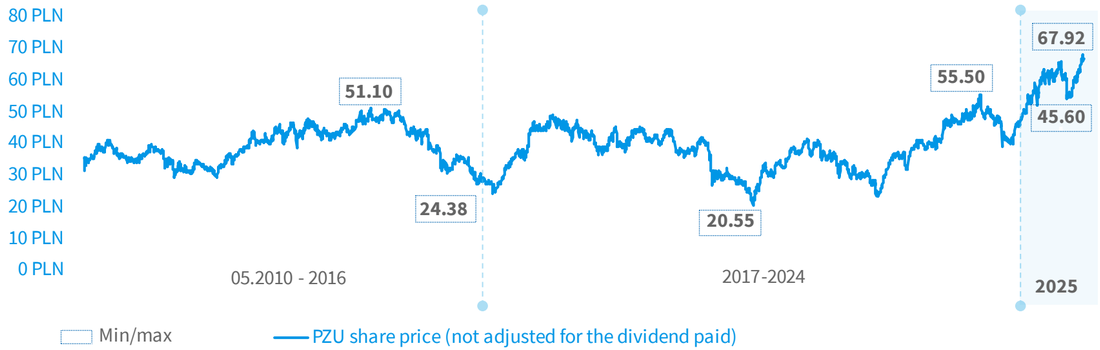
II Publication of the Q2 2025 report

III Publication of the Q3 2025 report

Source: PZU

* Share price not adjusted for the dividend paid

PZU's min/max share prices



Source: www.stooq.pl

3.6.4. Bank Pekao and Alior Bank share prices

Context in the banking sector

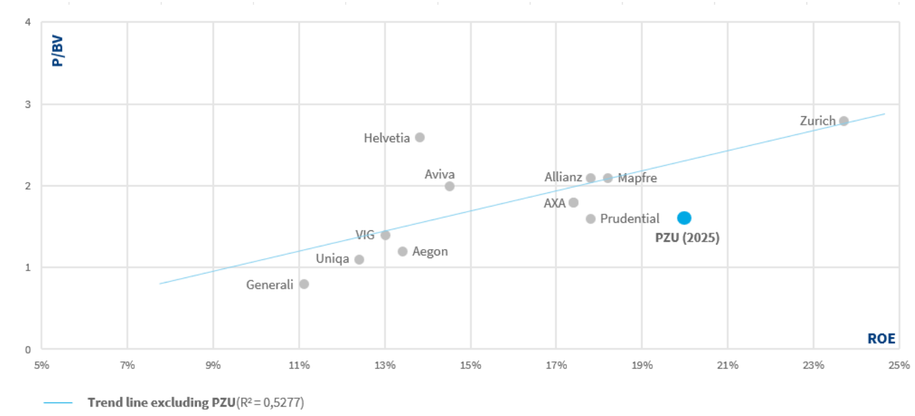
In 2025, the WIG-banks index recorded an increase of 55.3% y/y, beating the WIG20 index by 10 pp. The correlation between the WIG Banks index and the WIG20 index was 90% (without y/y changes). The beta coefficient (in relation to WIG20) increased by 0.17, to 1.28. The growth of the WIG-Banks index is largely the result of the continued strong performance of banks at the net profit level, achieved in an environment of high interest rates.

Bank Pekao and Alior Bank

At the end of 2025, the Alior Bank share price was PLN 110.45, i.e., it went up by 41.4%* since the beginning of the year. In 2025, the dividend per share paid by Alior Bank was PLN 9.19.

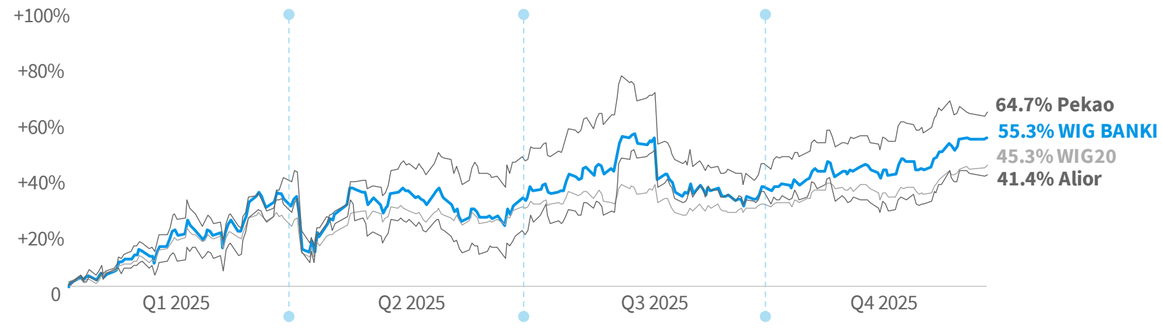
In that same period, the Pekao Bank share price increased by 64.7%* to PLN 205.1 per share. In 2025, the dividend per share paid by Bank Pekao was PLN 18.36.

PZU's valuation compared to the peer group



Source: indicators for PZU – reported figures; other companies – 2025 annual forecasts (research reports)

Pekao Bank* and Alior Bank* versus WIG-Banks and WIG20



Source: www.stooq.pl

* dividend-adjusted value

3.7. Regulations pertaining to the insurance market and the financial markets in Poland

In 2025, what was key for the financial sector, was the entry into force of the first obligations under the AI Act, the full application of DORA, and the application of the Data Act, which changed the approach to technology, data and operational resilience. That year also brought significant progress on the FiDA and the AML/CFT package, and saw the finalization of amendments to Solvency II and the publication of the IRRD. In addition, the Omnibus I agreement was reached, significantly modifying the CSRD and CSDDD reporting obligations.

New technologies and data management

Artificial Intelligence Act (AI Act)

The AI Act (Regulation (EU) 2024/1689) went into effect on 1 August 2024. In 2025, the first obligations took effect, with bans on certain practices and requirements for advancing AI literacy as of 2 February 2025, and with rules for general-purpose AI models (GPAI), supervisory structures and a penalty regime, among others, as of 2 August 2025. Most of the remaining provisions will apply as of 2 August 2026, and some of the requirements for GPAI models launched before 2 August 2025 will apply as of 2 August 2027.

For financial institutions, it is important to map AI applications in terms of risk classes – in particular, assessing risk as “high” for such applications as creditworthiness evaluations or pricing in the case of insurance – which implies requirements in risk management, data quality, human oversight and documentation. Analyses of the AI Act interface with sector regulations for financial services were published in 2025.

DORA – Digital Operational Resilience

The Digital Operational Resilience Act (DORA, Regulation (EU) 2022/2554) became effective on 17 January 2025; it covers banks, insurance companies and key ICT vendors[47]. In 2025, key elements of the regulatory framework were finalized – notably through the entry into force in July 2025 of the Delegated Regulation on ICT subcontracting – meaning that the structure of DORA requirements became complete.

In practice, 2025 brought a significant increase in operational and supervisory obligations for insurers and banks, as regulators have made the enforcement of DORA one of their priorities. As a result, financial institutions had to:

- strengthen ICT risk management processes, including through the implementation of detailed control rules and continuous monitoring mechanisms;
- maintain and regularly update ICT outsourcing and subcontracting records, identifying critical and essential functions;
- implement uniform processes for classifying and reporting ICT incidents, in line with the DORA methodology and harmonized at the EU level;
- prepare for Threat-Led Penetration Testing (TLPT) which will become mandatory for many entities in the coming years;
- adjust ICT provider contracts to meet requirements in subcontracting, audit rights, reporting and business continuity controls, among others.

Taken together, the changes in 2025 made DORA one of the most challenging regulatory areas for insurers and banks, forcing a significant professionalization of management of technology risk, cyber security and ICT vendor relationships.

Data Act – access to and use of data

The Data Act (Regulation (EU) 2023/2854) went into effect on 12 September 2025. It introduced the right for users to access and make available data generated by products and related services (Internet of Things, IoT), as well as mechanisms to facilitate switching cloud service providers. This has opened up new sources of data (such as vehicle telematics) for insurance and financial services.

The Data Act has significantly changed the way insurers and banks acquire, process and make available data by:

- making IoT data (including telematics data, sensor data, vehicle logs or smart-home data) more available for insurers, enabling them to produce more accurate risk models, engage in dynamic pricing and develop usage-based and parametric products. Insurers get easier access not only to raw data, but also to enriched signals and metadata, which significantly improves underwriting and speeds up claims handling;
- making fraud detection better and enhancing KYC/AML – the Data Act increases the scope of available data streams, making it easier to create advanced tools for identity verification, behavioral analysis or transactional monitoring. Device-generated data can support anti-fraud efforts in both banking and insurance;
- for banks – putting more pressure on interoperability and open cloud services, including the ability to easily switch vendors (reduce vendor lock-in).

[47] The sector deals with the production and use of telecommunications and information technology equipment and associated services.

As a result, in 2025, the Data Act became one of the strongest impulses to modernize the data infrastructure in both insurance and banking. It has opened access to new data sources, strengthened customer rights, accelerated the development of data-driven models and forced changes in the area of cloud services and data management.

FiDA – access to financial data (open finance)

In 2025, work continued on the Financial Data Access Regulation (FiDA) to create a unified European open finance ecosystem. The document was expected to be finalized by the end of the year, and implementation was expected to begin in 2027, with a clear focus on proportionality and cost containment. The regulation will cover data on credit products, investment products, selected insurance, as well as data used in customer risk assessment processes, such as investment preferences and suitability assessments.

Once the regulation is implemented, insurers will gain access to a broader set of customer data, enabling more accurate underwriting and better tailoring of products to the customers' individual needs. At the same time, there is the opportunity to create hybrid products based on external data, with the obligation to share one's own data on an interoperable as well as fair, reasonable and non-discriminatory (FRAND) basis. This means adjusting processes for handling consent and for protecting sensitive data to meet new regulatory requirements.

Banks will become both key providers and consumers of data, which can significantly support the development of advanced analytics and scoring services. New interoperability and security requirements will require the API structure to be modernized and data management oversight to be strengthened. The FRAND rule will reduce the extant negotiating advantage of the largest players, leveling the playing field for access to data and making it easier for smaller players in the sector.

AML/CFT package

The AML/CFT package was published in the Official Journal on 19 June 2024; preparations for its implementation continued in 2025. The new, directly applicable AML Regulation will enter into force on 10 July 2027, while the 6th AML Directive must be transposed into national law by the same date. What is an important element of the reform, is the creation of the European Anti-Money Laundering authority (AMLA), based in Frankfurt, which will place selected high-risk entities in the EU under direct supervision from 2028.

The AML/CFT package will introduce uniform EU rules against money laundering and terrorist financing, which means tighter KYC/EDD requirements for the entire financial sector, with the need for better transaction monitoring, and higher data quality standards. For insurers, this will involve more frequent updates to customer data and a clarification of AML risk assessment, especially with investment products. Banks will feel the most operational pressure, with the need to revamp AML processes under a single rulebook and to be ready for potential direct AMLA oversight from 2028. For all financial institutions, the package means increased operating costs, more controls and the need to strengthen governance and IT systems responsible for AML compliance.

Solvency

Solvency II – Directive 2025/2 and implementing acts

On 8 January 2025, Directive 2025/2 amending Solvency II was published, which Member States should transpose into national law by 30 January 2027. The amendment strengthens the principle of proportionality, simplifies reporting, stabilizes the valuation of liabilities through changes in long-term guarantees, and lowers capital requirements by reducing the risk margin, among other things. This will make it easier for insurers to increase exposure to long-term investments.

At the same time, the European Commission has proposed amendments to Delegated Regulation 2015/35 (to take effect from 2027), including a spread risk recalibration, LTG updates, modifications in catastrophic risk, and clarified group rules. Together, these changes make capital requirements more aligned with the real risk profile, reduce regulatory conservatism and ease the administrative burden on smaller companies.

Amendments to Solvency II – despite the general trend involving the lowering of capital requirements – will result in an increase in the capital requirement for PZU due to its shareholdings in two banks. The key changes involve the inclusion of the requirements concerning the combined credit institution buffer in the calculation of the PZU Group's capital requirement.

IRRD – the framework for insurer recovery and resolution

Directive (EU) 2025/1 established the first EU-harmonized recovery and resolution regime for insurers and reinsurers, modeled on the BRRD logic applied to banks. It is effective from January 2025, and Member States have until 29 January 2027 to transpose it into national law, with full application from 30 January 2027.

Companies will have to prepare recovery plans, while national authorities will have to prepare resolution plans and operational structures to implement them. Work on technical standards and guidelines, led by EIOPA, began in 2025 and will continue to prepare the sector for full application of the framework as of 30 January 2027.

Green finance

Omnibus I: modifications to CSRD and CSDDD

On 16 December 2025, the EU institutions finalized the agreement on the Omnibus I package, which aims to significantly simplify corporate sustainability reporting (CSRD) and due diligence (CSDDD) requirements. Key changes include raising the CSRD application thresholds to >1,000 employees and >€ 450 million in net revenue, exempting financial holding companies, and reducing the trickle-down effect on smaller players in the value chain. The CSDDD has thresholds increased to 5,000 employees and €1.5 billion in turnover, limiting due diligence obligations to only the largest companies. In practice, the package significantly eases the burden on the financial sector, with most insurers, banks and financial institutions falling out of the framework of mandatory reporting and due diligence; this reduces compliance costs and simplifies ESG processes. Reducing the trickle-down effect protects smaller players from excessive reporting demands, and the ability to consolidate obligations at the group level increases the proportionality and predictability of regulation, allowing resources to be focused on real sustainability-oriented activities.

Other national changes and implementations relevant to insurers

On 18 May 2025, the Regulation of the Minister of Finance of 10 February 2025 **on specific rules related to the investment by the insurance company of assets from life insurance contracts** came into force. The Regulation sets specific rules related to the investment by an insurance company of assets from life insurance contracts in which the investment risk is borne by a policyholder who is a natural person or a policyholder who is not a natural person, if, under the contract, the policyholder who is a natural person bears the cost of the insurance premium.

The Act of 26 April 2024 **on Ensuring that Business Entities Meet Accessibility Requirements for Certain Products and Services** came into effect on 28 June 2025. The purpose of the statute is that the products and services designated therein have characteristics that allow them to be used, as intended, by people with special needs, on an equal basis with other users. When offering insurance remotely, electronically via websites and mobile devices, it has to be ensured, among other things, that the communication function is available through more than one sensory channel and includes alternatives to visual, audio, speech, and tactile elements. At the same time, the statute also regulates that the message should be clear and comprehensible (font size and shape, line spacing, etc.). The solutions adopted in the statute require insurance companies to adapt their remote acquisition systems, in particular by ensuring multi-channel communication.

On 13 November 2025, the Regulation of the Minister of Finance and Economy of 24 October 2025 **on compulsory third-party liability insurance for operators of an unmanned aircraft system** came into force. It specifies the detailed scope of compulsory insurance coverage for the operators of unmanned aircraft systems using unmanned aircraft with a takeoff weight from 0.25 kg to 20 kg, against damage caused by operations involving the aircraft during the insurance period.

On 27 November 2025, the Act of 5 August 2025 **Amending the Mandatory Insurance, Insurance Guarantee Fund and Polish Motor Insurers' Bureau and the Act on the Population Register** came into force. The purpose of the law is to enable insurance companies to verify whether the PESEL number of the policyholder or the person for whom the mandatory insurance contract is to be concluded is restricted. If so, the insurance company may refuse to conclude the contract.

In 2025, insurance companies also focused on operational implementations resulting from earlier regulatory changes; this included adjusting IT systems to meet new reporting and tariff obligations, updating customer service documentation and processes, and modifying sales and claims systems to ensure full compliance. These changes followed the entry into force in 2024 of the revised regulations on motor third-party liability insurance, with increased coverage amounts and a clarified scope of coverage which remained in effect.

On 1 January 2026, the Act of 12 September 2025 **Amending the Act on the Municipal Local Government and the Act on the Village Fund** came into force, which introduced the obligation to take out insurance against third-party liability and accidents occurring in connection with the performance of tasks related to the duties of collection agents and tax collection.

On 19 March 2026, the Act of 7 November 2025 **Amending the Mandatory Insurance, Insurance Guarantee Fund and Polish Motor Insurers' Bureau and the Act** will come into force. Its purpose is to expand the list of data processed by the Insurance Guarantee Fund, so as to include the name of the insured, their registered office, the PESEL number and the REGON number, if any. The Fund makes these data available to insurance companies for insurance risk assessment, within the framework of which it will be possible to account for events that occurred both while a person was driving a company car and while they were driving their private car.

3.8. External and internal factors relevant to the development of the PZU Group

Taking into account the PZU Group's operations in the insurance sector (in Poland, the Baltic Countries and Ukraine), as well as in the investment, old-age pension, healthcare and banking sectors, the main external factors affecting its operations in the short term (up to 1 year) and medium term (1 to 5 years) can be divided into three categories: macroeconomic and geopolitical, legal and regulatory, as well as segment-specific. The Group's operations are also influenced by internal factors determining the pace of its development, operational efficiency, and the achievement of strategic goals.

3.8.1. Macroeconomic and geopolitical factors

The growth rate, level and structure of the key macroeconomic factors in Poland and abroad (GDP, inflation, interest rates) translate into the growth rate of business in all sectors in which the PZU Group operates and their profitability. They determine, directly or indirectly, albeit with a certain time lag, the gross written **premium growth rate** and insurance revenue in non-life insurance, as well as changes in **demand for credit and accumulation of deposits**, and inflow of **assets into funds**. Moreover, they influence **the claims ratio in non-life insurance and the investment result**. They also shape the fund management fee results and key measures that affect the performance of the banking sector (net interest margin and costs of risk).

In particular, **inflation** is a factor that strongly affects the insurance business. It raises amounts claimed, costs of claims handling, and costs of business. It also generates a problem for clients related to the depreciation of insurance benefits in long-term products, significantly reduces the real value of life policies and erodes the guaranteed sum in third-party liability insurance (e.g. D&O policies). Inflation and high costs may bring about the risk of underinsurance, present when the declared value of assets (such as movable and immovable property and content thereof) and risks are lower than in reality. When underinsurance arises, the insurer may accordingly diminish the sum they are obliged to pay, accounting for the ratio between the insurance value and the real value of the assets lost. As a consequence, the compensation paid out might not be enough to cover the real costs of restoring the assets insured. This is a particularly significant risk for corporate insurance, which may hinder the restoration of business and cause liquidity and stability problems for enterprises.

GDP growth translates into individual consumption and domestic demand, and therefore also into spending by households and the corporate sector on the purchase of insurance policies, the sale of loans and related insurance for borrowers. Here, inflation has the inverse effect, affecting real household income, among other things. A slowdown in economic growth generally leads to a deceleration in the growth rate for gross written premiums in non-life insurance, a decline in the demand for life insurance as well as subscriptions and health insurance, particularly within the framework of perks offered by companies. Poorer financial standing of companies and households may result in an increase in credit risk (in particular in the banking segment) and higher loss ratio on the financial insurance portfolio, weakening of the growth rate of new mortgage loans and a weaker growth rate of consumer loans. In addition, rising unemployment and lower employment may also lead to an increase in extortion and insurance crimes.

In 2026, the expected acceleration of key economic projects, including investments related to the energy transition – such as the construction of nuclear power plants, the development of offshore wind farms – and the intensification of work on transportation infrastructure, including the modernization of the rail network and the development of airports, may create good conditions for the development of construction insurance, third-party liability insurance, transport insurance, and insurance guarantees.

The economic environment, in particular the actions of the Monetary Policy Council with respect to **interest rates** and the reserve requirement, play a key role in the functioning of the banking sector. A very low interest rate environment has a negative effect on the sector's performance (by affecting the banks' net interest income), which could be felt particularly in 2021. An increase in market interest rates, on the one hand, contributes to financial stability, as it promotes improvements in the profitability and financial position of banks and insurers, but on the other hand, it carries risks to financial stability, as it may contribute to a deterioration in the quality of banks' loan portfolios. Higher yields on bonds measured at arm's length in portfolios of banks and insurers involve a reduction in their nominal value. The effect for insurance companies of this matter depends on the difference between the duration of assets and equity and liabilities. Furthermore, administrative solutions aimed at lowering the cost of rising interest rates for households (so called moratorium periods) limit the profit of the banking sector.

Tensions remain high in global geopolitics. The armed conflict between Russia and Ukraine, despite attempts to bring it to an end, is still ongoing, with great uncertainty about the possibility and timing of a lasting peace agreement. Things continue to be on a knife's edge in the Middle East (with a new wave of protests in Iran late last year and the resulting increase in the U.S. military presence in the region). The beginning of 2026 saw the Donald Trump administration making strong demands for Greenland, increasing tensions with the EU. The potential escalation in the aforementioned areas could generate shocks to the global economy that are

difficult to predict, and destabilize financial and commodity markets. On top of that, it is worth mentioning possible tensions related to elections scheduled for 2026 (including the Hungarian parliamentary elections in April, and the Danish elections in October, as well as snap parliamentary and presidential elections in Bulgaria, snap elections in Japan and the U.S. midterms in early November).

The key macroeconomic risks in 2026 are now related to economic activity in Poland's external environment. Problems with the competitiveness of the European economy, as well as the direction which the Trump administration is taking in its decisions, with the possible tensions caused by it, may more strongly limit the growth prospects of the Old Continent. Weaker GDP growth rate among Poland's trading partners may in effect mean slower GDP growth than expected in Poland. In turn, increased infrastructure and armaments spending announced in Germany, as well as the loosening of fiscal rules by the EC to increase military spending in the EU, may work towards improving the country's growth prospects. Poland also still has a sizable amount of European funds to draw on, the growing inflow of which into the real economy should mitigate the negative effects of external shocks.

Nowadays, among the factors of macroeconomic risk, attention is increasingly drawn to the rapidly growing debt and government deficits that remain at relatively high levels, including in Poland and other EU countries. The debt increment comes at a time when large expenditures are needed for the digital and energy transformations, as well as defense spending. Fiscal tensions may increase pressure on currency and bond valuations.

The risks associated with the development of artificial intelligence (AI) are also generating more and more discussion globally. While it is likely that the associated productivity benefits of AI to the global economy will be tangible, there is increasing talk about the low rate of return on investment in AI, especially when one considers the enormous costs that must be incurred in the infrastructure required to use it effectively (e.g., data centers, chips, energy). Research related to AI's impact on the labor market is also inconclusive. Strong global growth in AI technology investments is generating an investment boom, especially in the U.S. and Asia; the EU is less dynamic and thus risks losing competitiveness. A sudden correction in the valuation of technology company stocks with a high concentration in this area could have wide-ranging implications, including for macroeconomic stability.

Data for the Polish economy

	2022	2023	2024	2025	2026**
Real GDP growth in % (y/y)	5.3	0.2	3.0	3.6	3.6
Household sector consumption growth in % (y/y)	5.0	(0.3)	2.9	3.7	3.8
Growth in gross fixed capital formation in % (y/y)	1.7	12.7	(0.9)	4.2	8.1
Consumer price growth in % (y/y, annual average)	14.4	11.4	3.6	3.6	2.3
Nominal wage growth in the national economy in % (y/y)	12.0	13.1	13.3	9.1*	6.2
Unemployment rate in % (end of period)	5.2	5.1	5.1	5.7	5.4
NBP base rate in % (end of period)	6.75	5.75	5.75	4.00	3.50

*Preliminary Statistic Poland data. **Forecastof the PZU Department of Macroeconomic Analyses as of 18February 2026.
Source: Statistics Poland/PZU Department of Macroeconomic Analyses

3.8.2. Legal and regulatory factors

The PZU Group's activities are materially subject to the impact of both national regulations and European legislation. Legal and regulatory factors can significantly affect the PZU Group, determining the manner in which it conducts business, the scope of its reporting obligations, the level of its capital requirements or the intensity of supervision of the financial and insurance markets. The dynamically changing regulatory environment – in Poland and the European Union – requires continuous adjustment of operational processes, reporting systems and risk management mechanisms. This translates directly into an increase in operating costs and affects the Group's strategic decisions.

In 2026, the Polish financial sector will operate in a regulatory environment characterized by increasing complexity, intensive harmonization at the EU level, and a strong supervisory focus on the quality of practices towards customers, cyber-resilience and countering legal risks.

PZU faces the challenge of comprehensively implementing a new generation of regulations related to sustainable finance. At the same time, supervisory demands on the insurance sector are growing, including in the area of risk management, regulatory reporting and customer protection. These changes increase operational, technological and cost pressures, but at the same time are conducive to strengthening the PZU Group's transparency and resilience to future risks.

In addition, significant regulatory challenges affect the banks that make up the PZU Group. The banking sector is at the heart of a drive to intensify requirements in areas such as capital adequacy (including the CRR/CRD package), credit and operational risk management, mortgage regulation and growing ESG disclosure obligations. Under these requirements, banks have to make significant investments in reporting systems, risk models and cybersecurity, which translates into rising compliance costs and the need to further optimize processes.

In the insurance area, progress in implementing the broad package of EU reforms and national supervisory priorities set by the KNF will be key. These regulations are aimed at strengthening the financial resilience of establishments, improving the quality of customer relations, increasing product transparency and building modern standards for operational resilience. At the same time, growing climate and geopolitical risks are becoming a key area of supervisory focus, and so there is a need to modernize risk models and update solvency strategies. These changes are bringing about a complex regulatory environment in which insurers must simultaneously implement numerous adjustment projects involving governance as well as operational and technological processes.

Supervisory priorities of the KNF
In 2026, the KNF identifies four strategic areas for supervision: solvency of establishments in the light of climate, geopolitical and demographic changes; enhancement of product quality and customer service; improvement of the quality of distribution of insurance products; and adaptation of supervision to new regulatory requirements. There is a particular focus on catastrophic risks and the insurance gap, particularly in the property insurance segment, where the KNF has announced further recommendations on distribution quality. The KNF aims to increase the stability of the sector and improve the quality of the customer experience, including product with respect to transparency and claims handling efficiency.

IRRD and changes to Solvency II
The implementation of the IRRD and of the update to Solvency II is one of the most important regulatory challenges of 2026. Implementation of the IRRD requires companies to develop detailed recovery plans and resolution procedures, significantly raising standards for emergency preparedness. Changes to Solvency II strengthen requirements for transparency, capital adequacy and quality of reserve management, forcing a more conservative approach to risk assessment. These changes support the long-term sustainability of the sector, but require significant investment in analytics, governance and reporting processes.

Retail Investment Strategy (RIS)
The RIS tightens requirements for the design, presentation and distribution of investment products, including investment policies, introducing stricter standards of transparency and adequacy. Insurers need to strengthen product governance, expand suitability assessments, and adapt informational materials to the new requirements, enhancing the safety and convenience of retail customers. The regulation is intended to reduce the risk of misselling and promote informed investment decisions.

DORA – digital operational resilience and cybersecurity
In 2026, insurance companies are pursuing a key phase of implementations, including regular testing, business continuity, and advanced oversight of technology providers. The KNF publishes positions on the application of DORA, highlighting the importance of this regulation for the market. According to KNF's announcements, DORA is one of the fundamental directions for strengthening the operational security of insurance companies.

AML Package: 6AMLD, AMLA and EBA guidelines
The AML package, phased in across the EU in 2026, significantly changes the AML/CTF regime, expanding insurers' obligations as obligated institutions. The 6th AML Directive (6AMLD) introduces more detailed procedural requirements, and the creation of a European supervisory authority (AMLA) means a new level of control over high-risk entities. The EBA's sanctions guidelines, effective as of the end of 2025, require the development of advanced screening tools and transaction analytics.

The banking sector will face strong regulatory pressures involving both legal, technological and capital issues. Growing legal risks, particularly in **disputes regarding consumer loans and WIBOR-based mortgages** are significantly impacting the need to increase provisions and adjust product policies and sales processes. Increasing regulatory costs resulting from the implementation of CRD VI/CRR III, which change the rules for risk assessment and raise capital requirements, are an additional burden, further limiting institutions' balance sheet flexibility. At the same time, the new PSD3 and PSR are transforming the payment services market, increasing competition in open banking and forcing modernization of authorization systems and anti-fraud tools.

Banks, like insurers, are subject to DORA requirements, obliging them to build advanced operational resilience and centralize ICT risk management. Altogether, the implementation of 6AMLD, AMLA oversight and EBA guidelines significantly increase the requirements for transaction monitoring systems, data analytics and automation of KYC/CTF processes, raising compliance costs. This view of the sector is completed with **increasing fiscal burdens**. According to analyses of the Polish Bank Association, the increase in effective CIT could mean about PLN 7 billion of an additional burden for the sector, one of the most severe cost impulses in recent years.

Legislative work will continue in 2026 on a package of amendments to enable the reorganization of financial groups, including the division of insurance companies and their consolidation with banks. What is a key document, is a **bill amending the Banking Law, the Insurance and Reinsurance Business Act and certain other acts of law (UD268),** the provisions of which are intended to create a unified, legal framework for such processes.

Among other things, the bill envisages:

- introducing detailed rules for the division of domestic insurance and reinsurance companies, possible only in the form of a joint-stock company, with mandatory supervision and approval of the KNF;
- expanding opportunities for banks to merge with joint-stock companies belonging to the same group of companies, opening the way for the integration of banking and insurance structures;

- regulating transfers of insurance agents' enrollments in dividing companies;
- strengthening KNF's licensing oversight and its assessment of financial risks and consumer protection during restructuring.

These changes will be crucial to the planned capital reorganization of PZU and Bank Pekao.

3.8.3. Factors specific to business segments

The PZU Group's operations are shaped by external factors specific to its business segments, reflecting the different risk structures and competitive conditions in each sector. The most important of these are described below, broken down by each of the PZU Group's business segments.

Non-life insurance segment in Poland

- **The greater number of cars** and continued traffic may cause an increase in how often claims are made, and consequently an increase in the claims ratio, which will impact profitability of MTPL and MOD insurance;
- **High growth of new car sales** in 2025, mainly in the dealership channel and financed by leasing companies, may result in higher sales of motor insurance;
- **Strong price competition in motor insurance** and deteriorating result in MTPL and MOD will be reflected in different pricing strategies, thus affecting the market share levels in 2026;
- **Changes in trends and behavior of customers** looking for personalized offerings and a fast, electronic way to conclude contracts and avail themselves of insurance service are forcing the need to adapt quickly to new expectations in order to maintain a competitive edge;
- **Climate change** which result in, among other things, a greater range of crop species is grown by agricultural producers, which has a positive impact on crop rotation and biodiversity and may influence the development of subsidized agricultural insurance offerings;
- **Repeated and increasingly more unpredictable chance events**, such as sudden floods, hail, torrential rains, hurricanes, tornadoes, droughts, and spring frosts, are contributing to increasing claims ratios in the non-life insurance sector;
- **Increase in sums insured**: with perceived inflation and risk of underinsurance, companies and individual customers are updating sums insured, which leads to both an increase in insurance premiums and claims paid to ensure full restoration of lost or damaged property;
- **The growth of the construction industry**, including the increase in infrastructure, mega-investments (nuclear power plant, wind farms in the Baltic Sea, Central Transport Port) and energy transition, in conjunction with the expected inflow of funds from with an expected influx of funds from the National Reconstruction Plan and EU funds for cohesion policy 2021-2027 expected to increase interest in contractual guarantees and construction insurance;
- **The development of non-motor insurance offerings** by, among other things, providing customers with value beyond just insurance coverage may result in the further development of strategic partnerships between insurers and companies with large customer bases, as well as the creation of customer service ecosystems;
- **The increase in the use of technology and artificial intelligence** (AI) will result in the rapid growth of the cyber-insurance market, with insurers focusing on offering comprehensive solutions that combine financial protection with prevention and incident response services;
- **Better use of data due to technological developments and the use of artificial intelligence** (AI) will allow the creation of more precise offerings and a better adjustment of price to risk, consequently, building a competitive edge, both in compulsory and voluntary insurance.

Life insurance segment in Poland

- **An increase in mortality** due to an aging population, and emergence of new epidemics or infectious diseases will contribute to an increase in claims and a reduction of the insurance portfolio (a decrease in the number of people insured);
- **Demographic changes** and the aging society as well as the ensuing changes in the current mortality and fertility levels will lead to developing insurance offerings for senior citizens and higher demand for health and ;retirement insurance;
- **Price pressure**, in particular in group insurance, and the competition for client ownership (and client data) might cut the insurer's margins, reduces the scope (quality) of the product and fostering entry and exit obstacles for clients to overcome with independent intermediaries;
- KNF's implementation of its **recommendations on insurance distribution** will result in the need to better match product coverage to the real needs of customers, as well as to implement more rigorous supervisory and quality assurance processes throughout the distribution chain;
- **Increasing insurance awareness**, changes in client trends and behavior toward personalized life insurance offerings may result in the development of individual insurance, while limiting the potential for the development of group insurance in its current formula;
- **Further expansion of private health care** as a consequence of the realization of health debt, demographic changes, and the rise in popularity of health insurance;
- Better use of data due to technological developments and the use of artificial intelligence (AI) will allow the creation of more precise offerings and a better adjustment of price to risk, consequently, building a competitive edge.

Insurance segments in Baltic Countries and Ukraine

- **Geopolitical tensions, particularly the ongoing Russia-Ukraine war**, which has a direct impact on the possibility of conducting insurance operations in Ukraine and on their results;
- **More intense and increasingly more unpredictable chance events**, such as sudden floods, hail, torrential rains, hurricanes, tornadoes, droughts, and spring frosts, are contributing to increasing claims ratios in the non-life insurance sector;
- **Changes in trends and behaviors of customers** seeking customized proposals as well as an electronic, swift conclusion of agreements and handling of insurance, force insurers to adapt to these new expectations rapidly;
- **Increase in insurance fraud cases** as a result of the more difficult situation in numerous industries causing growing unemployment;
- **Introduction of an insurance tax in Lithuania** – As of 1 January 2026, a 10% tax on premiums in non-life insurance has been introduced, excluding compulsory motor third-party liability insurance for individuals. The tax will finance the state Defence Fund. The introduction of the tax may result in an increase in operating costs for insurance companies, consequently reducing their profitability and investment capacity. They may also lead to a decrease in demand in price-sensitive segments.

Health

- **High demand for specialist physicians with an insufficient supply** can slow the growth of medical facilities and squeeze their margins;
- **Inflationary pressures** from partner establishments and **wage pressures** from medical staff may directly reduce PZU Zdrowie's financial performance;
- **Rising salary expectations of staff**, combined with increased demand for medical services, may lead to a reduction in the availability of services at the selected establishments, with staff which may prefer to work at establishments offering higher salaries;
- **Changing trends and growing customer expectations** that require the personalization of offerings may force modifications to processes and systems, which affects the level of performance;
- **An aging population (declining fertility rates), rising mortality and morbidity rates**, as well as the health debt after the COVID-19 pandemic, resulting from treatment of chronic diseases (including cardiovascular and oncological conditions) being postponed, may translate into an increase in health product claims;
- **The continuing pressure on price in group insurance** limits the ability to sell new health products that are add-ons to group insurance policies;
- **Strong price and product competition in the medical services market** affects the profitability of establishments operating in the health care segment;
- **High saturation of the market in large cities** combined with staff shortages and limited customer potential in smaller localities may slow down the development of the health offering;
- **Changes in the valuation of outpatient specialty care services** by the National Health Fund (NFZ) may significantly affect the performance of medical establishments;
- **Aggressive expansion of competing medical networks**, especially in terms of the development of their own infrastructure, may in the long term limit patient acquisition opportunities and weaken the competitive position of PZU Zdrowie operators;
- **Pandemics or epidemics**, whether new or similar to COVID-19, may have social and economic consequences leading to business restrictions, including on the operation of medical establishments, which can significantly reduce their performance.

Investment segment – Investment funds and Employee Capital Schemes

- **The reduction in interest rates** may have a positive impact on debt fund valuations, making them even more attractive to both institutional and individual customers;
- **The geopolitical and macroeconomic situation** and the fiscal actions of the world's central banks in terms of interest rates may translate into prosperity in the financial markets;
- **The stability of the regulatory environment**, including potential amendments to laws, regulations and guidelines, as well as unanticipated modifications to pension, PPE and PPK regulations, may affect the growth prospects and performance of the segments;
- The pace of economic growth in Poland, as well as the condition of listed companies, may affect the performance of equity and mixed-profile funds;
- **The financial situation of the customers may affect their willingness to invest**, due to, among other things, increased debt service costs with continued elevated inflation and high interest rates.

Pension segment – pension funds

- **The climate on the capital market** (in particular on the Warsaw Stock Exchange, which is affected by both the geopolitical and macroeconomic factors) may shape the value of the funds' assets, and the level of fees collected by pension fund companies for management;
- **Legislative work and regulatory efforts concerning the third pillar of the pension system** may have an impact on improving its efficiency and making it more attractive to participants;
- **Strengthening public awareness** of the need for additional retirement savings;
- **Changes in tax laws**, particularly those related to capital gains tax, may affect segment performance;
- **The growing negative balance of cash flows between OFEs and ZUS** resulting from the entry into the "zipper" mechanism of the vintages of fund members with the highest volume and those with the largest accumulated capital. This phenomenon will significantly affect the level of assets managed by Open Pension Funds.

Banking operations segment

The main factors that could affect the scale and profitability of PZU Group's banking operations in 2026 include:

- **The tax and-regulatory environment**, including the change in the CIT rate, the existence of a tax on certain financial institutions, high equity requirements, contributions to Bank Guarantee Fund (BFG), and costs of adjustments to numerous regulatory solutions (e.g. MIFID II, GDPR, PSD II, MREL);
- **The economic situation in the European Union**, which impacts, among others, the scale of exports of Polish companies;
- **The level of demand for banking services** reported by individual and institutional customers;
- **The institutional environment and potential rulings by the CJEU, the Supreme Court and other state authorities**, especially regarding mortgage loans denominated in foreign currencies, free credit sanctions, cash loans or consumer rights protection;
- **Possible implementation of government schemes to support the housing market**, which can stimulate lending;
- **Progressive consolidation and restructuring of the banking sector**, affecting its structure and competitiveness;
- **Reform of the benchmark index**, i.e., the replacement of WIBOR with a new index;
- **Development of banking services offered by non-regulated entities**, increasing competition in the sector;
- **The pace of the implementation of EU-funded projects**, especially under the National Recovery Plan, affecting investment and financial activity;
- **Reductions in interest rates,** which have been historically high until 2025, may cause interest margins to fall.

3.8.4. Internal factors

Internal factors affecting the PZU Group's operations are determined primarily by the **PZU Group Strategy**, **the PZU Group's Capital and Dividend Policy**, and the **capital reorganization project** announced in December 2024.

In the area of operations, priority is given to initiatives aimed at **eliminating technological debt**, **implementing a new sales system** in which the various channels are complementary, rather than competitive, and **increasing the efficiency of the claims handling process**.

In 2026, in particular, the key factors will be:

- **New IT architecture** to deploy more AI-based tools;
- **A new front-end system** to support all sales models while maintaining the specific nature of each distribution channel;
- **A new model of cooperation with multiagencies**, which will also maintain the strong position of tied agents, including a simplified and predictable remuneration system, access to PZU's advanced tools and significant investment in MTPL/MOD tariffs, which will increase the competitiveness of the offering and support sales growth;
- **Expanded cooperation with banks**, which will include the development of bancassurance offerings to include products aimed at the small and medium-sized enterprise (SME) segment.
- **Development of the mojePZU platform** to intensify customer interaction (refreshing the interface, improving intuitiveness, streamlining user paths, expanding the range of services) and further strengthen the direct channel;
- **Decision on LINK4's role and position** in the PZU Group, expected in Q1 2026;
- **Upgrade for the claims handling system** to improve process efficiency and customer experience;
- **Improvement of risk tariffication and segmentation processes**, increasing the pricing precision and flexibility in adjusting offerings, which is key to maintaining a competitive edge;
- In the area of **life insurance** – making the full range of offerings and processes available in digital channels, especially in the area of individual continuation (IK), as well as developing products geared to the silver and middle-age generations to better match the offerings to market needs;
- In the area of **health** – developing self-service functions in digital channels, standardizing patient pathways and expanding the company's own network of establishments to strengthen PZU's position as a leader in comprehensive insurance and protection products.

The PZU Group's capital and dividend policy for 2025-2027 directly shapes its **long-term growth strategy** through the capital structure, investment opportunities and level of capital security. Under this policy, up to 20% of profit is allocated to organic growth and innovation, while the remainder can be used for dividends or other capital needs.

The following factors will be important in 2026:

- **Strong capital position** – high solvency (Solvency II ratio at the end of Q3 2025 at 234%[48]) and high return on equity (20.7%)[49] create a solid base to continue paying high dividends into 2026.
- **Internal risk model** – the implementation of an internal risk model (compliant with Solvency II requirements) planned for the first half of 2027 will optimize the PZU Group's capital position. This solution should have a positive impact on the further development of the business and enable the continuation of the current dividend policy in 2027, even without the capital reorganization of the PZU Group (see below).
- **Capital reorganization of the PZU Group** – continued efforts related to the transformation of the Group into a holding structure may allow an increase in the regulatory capital of the new banking and insurance group by **PLN 15-20 billion** (under the so-called Danish compromise). This could translate into faster growth for both PZU and the Group's banks, increase their ability to participate in major economic projects.

48) In accordance with EIOPA's position 25/135 'Supervisory Statement on the Deduction of Foreseeable Dividends from Own Funds under Solvency II' of January 2025, starting from Q1 2025, own funds are reduced— for the purposes of interim supervisory reporting—by 80% of the consolidated result of the PZU Group attributable to PZU shareholders.

49) Solvency II figure as at 30.09.2025, ROE as at 31.12.2025

4. Strategy and perspectives

4.1. Strategic ambitions by 2027
4.2. Implementation of the strategy in 2024
4.3. PZU Group reorganization towards a holding structure
4.4. A strategic perspective



4.1. Strategic ambitions by 2027

The Strategy of the PZU Group for 2025–2027 was adopted on 2 December 2024, and is focused on four pillars: simplicity, focus, development, and engagement. For the PZU Group, simplicity means simplifying the structure and strengthening operational efficiency. The focus is to ensure profitable growth of the insurance business. Development relates to investment in health market, digitization and offerings developed with partners. Engagement is about building the Poland's resilience and inclusive society.

The PZU Group set the following ambitions until 2027:

- **>PLN 6.2 billion of net profit**;
- **>19% ROE** from core business;[50]
- **+40% EPS growth** from core business;[51]
- **< 90% COR** in non-life insurance;[52]
- **>20%** operating **margin** in life insurance.



Financial objectives are also reflected in the non-financial dimension:

- Highest NPS on the market in products and service;
- 8 million clients in mojePZU digital channels;
- Taking care of physical health and mental well-being of children and adults;
- Inclusive and transparent sponsorship, prevention and education programs;
- Common solutions implemented in cooperation with the market.

The ambitions adopted until 2027 will be implemented in the strategy horizon in each business line under four pillars: simplicity, focus, development, engagement.

I. Simplicity

The PZU Group is focusing on efficiency by simplifying its organizational structure, which will increase efficiency and agility.

Operational efficiency

The PZU Group is building an organization in a structure that allows it to prioritize client needs.

PZU measures in terms of operational efficiency:

- adjusting the organizational structure to provide greater autonomy and agility for business units;
- simplifying processes to accelerate change implementation, enable optimization and automation, and enhance profitability management;
- streamlining the structure of banking assets within the Group to ensure transparency and efficient capital management;
- building synergy in insurance and investment companies.

Key objective for 2027

PLN 400 million increase in efficiency thanks to synergies of simplifying the Group's asset structure and organizational structure.

II. Focus

The PZU Group is focused on increasing the profitability of its core insurance business.

Mass non-life insurance

PZU's position and market context – PZU is a leader in mass property insurance, with ~32% share of premiums and ~47% in technical result.[53] The non-life insurance market in Poland is on an upward trend, but profitability, particularly in the motor third-party liability insurance segment, remains a significant challenge.

Identified strategic objectives and actions to support profitable growth:

- achieving technical and operational excellence with advanced pricing models, models based on behavioral and climate data, and competence centers in the areas of product, pricing, and claims handling;
- disseminating the offer across all channels through a profitable distribution presence and a new value proposition for own channels;
- active management of brands as a result of a multibrand strategy covering all client segments.

50) ROE – Return on Equity, calculated on core business, i.e. excluding banks

51) EPS – Earnings per Share, calculated on core business, i.e. excluding banks

52) COR – Combined Ratio (mixed ratio), mass and corporate segments combined, all products

53) Includes both the mass and corporate segments in terms of direct business; figures adopted in developing strategic assumptions Source: KNF, as of the end of 2Q 2024

Key objectives for 2027

- >30% increase in insurance revenue[54]
- <90% combined ratio (COR)[55]

Corporate non-life insurance

Strong growth of the PZU Group in the rapidly growing corporate insurance market.

PZU's position and market context – PZU Group is a leader in the business insurance market with a share of ~37%, 18% average annual growth against a market with 13% growth.[56]

Activities that support strategic objectives based on profitable growth and building client relations:

- making results independent from the impact of underwriting cycles through technical and operational excellence with better use of data in pricing and unified risk assessment and client data analysis, also through automation;
- building a unique value proposition for clients as well as agents and brokers based on the development of new and existing products and services: iFlota, RiskPRO, Process Safety Management (PSM);
- automation of sales and service processes using new technologies and GenAI to streamline sales processes (e.g., sales support via chat) and fast claims handling system.

Key objectives for 2027

- >25% increase in insurance revenue
- <90% combined ratio (COR)

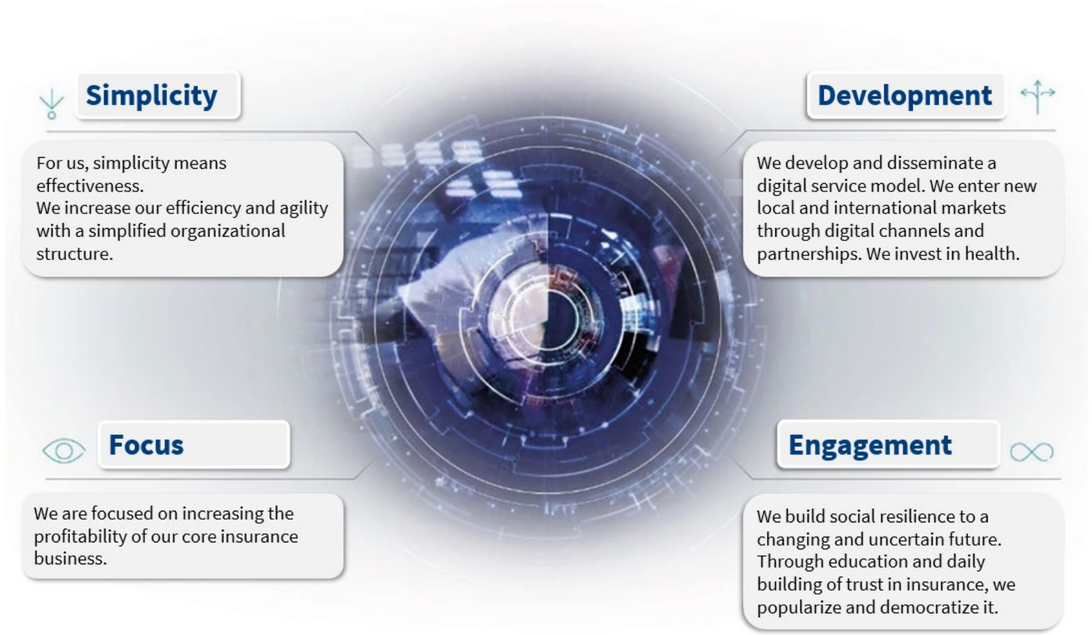
Life insurance

A leader that sees potential in changing demographics.

PZU's position and market context – PZU is a leader in the life insurance market, with ~42% share of premiums, ~33% share of APE and perceived highest potential for value creation in the baby boomer and silver generations, who expect more from financial institutions.[57]

Strategic priorities define key directions to strengthen the market leadership position:

- making the offer more attractive and adjusting it to the needs of changing demographics as a result of maintaining client portfolios and increasing profitability in group insurance by redefining the value proposition: new life, health, sports and other benefit products, and focusing activities around the baby boomer and silver generations;



increasing conversion from group insurance to individual insurance as a result of the development of digital and hybrid sales and service processes for individual follow-up;

- simplifying the retail client base through x-sell growth – new products and active sales activities;
- improving the efficiency of distribution channels with the support of programs to increase the effectiveness and develop the competence of the sales network.

Key objectives for 2027

- >35% new business value growth[58]
- >20% operating margin

54) Applies to non-life insurance in the mass segment excluding bancassurance products
55) COR – Combined Ratio (mixed ratio), mass and corporate segments combined, all products
56) As at 2023; figures adopted in developing strategic assumptions
57) Source: KNF, PIU; as at the end of Q2 2024. Shares calculated with respect to regular premium insurance; figures adopted in developing strategic assumptions
58) New business under IFRS 17 measurement for life insurance in Poland – defined as CSM contractual service margin less loss component for insurance contracts entered into during the period, measured at the time of contract recognition

Bancassurance

Growth potential in the fastest-growing segment of unrelated protection products.

PZU's position and market context – in investment insurance, a leadership position built through solid asset management and stable premium growth, despite market trends. In unrelated protection products, significant untapped potential PZU addressed by expanding offerings. In related protection products, the position is close to the shares of PZU Group banks, and has the potential to grow to the level of bancassurance business leaders.

Operational activities based on stable growth, expansion of offerings and omni-channel model:

- a new approach to offering insurance linked to bank products through premiums spread over the entire coverage period, giving stable growth and greater availability and value of products for the client;
- expanded offering of unrelated protection insurance and services, as well as savings and investment products using new and modified products and tailoring on the basis of client knowledge and comprehensive life, health and asset protection offerings for every stage of life;
- omnichannel distribution and service model with the support of simplified digital and hybrid insurance sales processes as well as personalization of offerings and communications, reaching a broad client base.

Key objectives for 2027

- +50% increase in the number of insured clients in the PZU Group banks
- 4x higher written premium in unrelated protection products

III. Development

The PZU Group is developing and promoting a digital service model, entering new local and international markets through digital channels and partnerships. It is also investing in the health market.

Health

Growth in a huge market, in the fastest-growing categories.

PZU position and market context – PZU Group with a strong position in the private healthcare market in Poland. Group's segments (subscriptions and insurance) with expected +10-15% average annual growth over the Strategy horizon.[59]

Operational activities to consistently build a leadership position:

- improving quality for clients through technology infrastructure that sets the best market standards as a result of the streamlining of digital customer pathways in mojePZU and the development of multichannel, digitalization of business processes and optimization of medical systems;
- improving profitability through an efficient business and operating model by increasing the use of own facilities (target ~60% share) and improving the terms of cooperation, with partner facilities (integration of systems and closer cooperation);
- growing the revenue from a wide range of services and being present in the most attractive segments as a result of increasing the share of "fee-for-service" products in sales to ~20% and realizing the potential of cooperation with the public payer (NHF).

Key objectives for 2027

- >PLN 3 billion in revenue (>60% growth)
- 2x higher EBITDA operating result

Investments

Broader offerings for external clients and support for green transition.

PZU's position and market context

The PZU Group is a key investor in Poland, with a broad value proposition for clients, and PLN 111 billion[60] in assets under management.

Directions of action and strategic objectives:

- Increasing the PZU Group's exposure to green transformation as a result of increased investment in the debt financing segment;
- Increasing the Group's exposure to innovation and technology through increased investments in the alternative funds segment;
- Expanding product offerings for external clients by creating an asset management service for businesses and an alternative investment fund for external clients.



59) Source: OECD, Economist Intelligence Unit, PMR

60) TFI, PTE and PZU own assets

Key objectives for 2027

- >PLN 49 billion in third-party client assets at TFI PZU (up +50%[61]);
- PLN 3 billion in new investments in green transition and innovation.

Digitalization

mojePZU as a comprehensive digital channel and client relations center.

PZU's position – 4.9 million users of mojePZU, 40 million logins during the year, PLN 650 million of premium from direct and hybrid sales, 560 thousand reported claims and benefits[62].

Strategic objectives and actions:

- Reaching 8.0 million mojePZU users (CAGR of 18%) and 60 million logins by 2027 (CAGR of 15%);
- Strengthening the role of mojePZU through the availability of key client pathways, supporting the omnichannel sales model and aligning functions with broader sales needs and increasing "productization" of clients.

Advanced technologies

New levels of operational excellence and innovation.

PZU's position – PZU has an advanced CRM that leverages 360 view data for the customer and agent, aggregates data from all channels, and provides the ability to implement joint analytical projects with PZU Group banks.

PZU also cooperates with startups – cooperation within the PZU Ready for Startups platform has already brought a total of >PLN 200 million in additional profit with 76 completed projects.

Strategic objectives and actions:

- Building a next-generation interactive CRM that enables real-time hyper-personalization and proactive relations management;
- Ensuring PZU Group's consistent transformation using AI as a result of technology scaling and the introduction of an AI solution in pricing, as well as a major pilot of AI Assistant;
- Developing the PZU Ready for Startups platform for collaboration, reaching out to a wider group of perspective startups and supporting them to implement innovations.

Strategic partnerships and new business

Stabilizing relationships with major players in key markets and development of contextual offerings.

PZU's position – leader in the embedded insurance market.[63] PZU is present with partner offerings in the sector, among others:

- energy, offering more than 60 assistance services;
- tourism, offering travel insurance with dynamic pricing in ticket reservation system;
- telecommunications, combining smartphone service with insurance;
- commerce, providing insurance packages for electronic devices, integrated within the API.

Strategic objectives and actions

- increasing the number of strategic partners as a result of focusing on key markets: financial services, automotive, tourism, real estate development, home appliances, electronics, e-commerce;
- developing employee benefits by expanding the offer to include the full range of benefits existing on the Polish market;
- creating a wellbeing ecosystem as a result of expanding the offer with a PZU Sport subscription and an ecosystem of complementary services, i.e.: psychological, dietary, recovery, supplementation, physiotherapy, and physical activity support.

Overseas expansion

The PZU Group is now present in five Central European countries, with further development in light expansion model.

PZU's position – experience in the region thanks to the presence of the PZU Group in 5 countries of Central and Eastern Europe. Well-established active reinsurance competencies, ~PLN 1.4 billion of written premiums from inward reinsurance in 2023.

Strategic objectives and actions

- Developing international competence and exploring new markets
- PLN 500 million of additional revenue from active reinsurance outside the Group by 2030.[64]

IV. Engagement

The PZU Group is building social resilience to a volatile and uncertain future through education and building confidence in insurance on a daily basis, leading to its universalization and democratization.

Green Transition

PZU, in cooperation with banks, offers a full catalog of solutions to support the green transformation.

Corporate insurance area:

- Products adequate at the investment stage, including engineering and specialized ones;
- Post-project non-life insurance, including TUW.

Capital investment area:

- Stocks and bonds of companies specializing in green transition;

61) Compared to data at the end of 3Q 2024
62) Data as of the moment of developing the strategic assumptions
63) Position in terms of gross written premiums
64) Not including reinsurance within the PZU Group – in Poland and abroad

- Green government bonds;
- Loans for green investments;
- Investments in BREEAM-certified buildings.

Debt financing area:

- Project finance and structured financing of green investment projects;
- Targeted loans for investments.

Guarantee area – insurance and banking solutions to secure transactions between contractors in green investments, e.g., due performance, remedy of defects, payment of bid bonds, timely payment of receivables.

Collaboration

Building solutions for clients and market development, in partnership with key players.

mInsurance Service – introduction of insurance services on common platforms, such as mStłuczka solutions within mObywatel, to increase client convenience by standardizing and digitizing the handling of motor claims.

Insurance Data Ecosystem – using and sharing data in the ecosystem, e.g., Insurance Databases, containing information on non-life and life insurance, allowing for advanced analysis of concluded contracts and reported claims.

Support tools – developing tools to improve market efficiency, e.g., FOTO for countering claim scams from motor insurance using automatic image recognition technology.

Strategic objectives:

- Building the best solutions and value for clients;
- Increasing insurance awareness among Poles;
- Building a positive perception of the insurance industry.

Society

Building trust and a friendly image of a socially engaged brand.

Sponsorship and prevention activities:

- Promoting a healthy and active lifestyle;
- Building healthy and safe social attitudes;
- Cooperating with public services: police, fire brigades;
- Supporting emergency services: GOPR, WOPR;
- Campaigns and projects implemented jointly with the ministries of health, education, sports.

PZU Foundation:

- Building competencies of the future, including critical thinking, defense against disinformation;
- Creating spaces for community integration and dialog;
- Modern philanthropy, inspiring action;
- Education and talent promotion;
- Building a society that is resilient to the challenges of the current times through initiatives in the areas of health, education, reducing vulnerability to misinformation.

Key objectives for 2027

- 15 million people each year covered by PZU's activities in the field of corporate social responsibility[65]

PZU Team

PZU is enhancing agile capabilities and developing competencies to drive the Group's growth. Strong brand and HR competence make the PZU Group an attractive place to work:

- Employee satisfaction in the area of people management and inclusiveness and cooperation, 4–6 p.p. above market average;
- Good position in the pay market and GPG ratio (Gender Pay Gap) of 95%;
- ~2.5 x lower turnover, 4x higher return rate than on the market;
- Space to develop skills and gain diverse experience.

The HR strategy will focus on:

- Accountability for results through comprehensive performance management and ensuring optimal development of people and the organization;
- Development of supportive leadership and distinctive employee experiences;
- Inclusive organizational culture that supports agile operations, autonomy and employee innovation;
- Delivery of tomorrow's competencies, crucial from a strategic perspective, including for international expansion.

65) Activities under the 4 operational objectives "Safe on the road," "Safe in health," "Safe in action," and "Safe at home and business"



Bank assets

One of the priorities of the strategy is to ensure the optimal structure of the PZU Group, including addressing the identified challenges associated with the banks under its control:

- Lower attractiveness for investors and discount in measurement as one of the few insurance groups in Europe directly controlling two competing banks;
- Complexity of direct supervision over two competing entities and failures to achieve synergies between entities operating in the same industry within the Group;
- Large capital concentration on the Polish banking sector, with a large stake in two entities within the sector – greater risk;
- suboptimal use of capital.

Operational activities

In early December 2024, a letter of intent was signed between PZU and Pekao to analyze various strategic options for the merger, taking into account the impact on Group capitals, the external environment, potential synergies and integration costs.

Strategic directions and objectives:

- transparent structure that increases attractiveness to shareholders;
- simplified Group governance model;
- Effective capital management;
- Ability to generate value through bank complementarity.

The company will use **the freed up capital to develop the Group's business** and transform the economy:

- developing strategic partnerships in Poland and abroad, including distribution, bancassurance and embedded insurance;
- strengthening the health area;
- participating in financing the transformation of the Polish economy.

The company will use **the freed up capital to develop the Group's business** and transform the economy:

- developing strategic partnerships in Poland and abroad, including distribution, bancassurance and embedded insurance;
- strengthening the health area;
- participating in financing the transformation of the Polish economy.

Financial ambitions

In the strategy horizon, thanks to its focus on core business, the company assumes:

- an increase of PLN 7.5 billion in insurance revenues to PLN 36.2 billion;
- 40% increase in EPS from core business to >PLN 5.1;
- increase by 2 p.p. ROE from core business to >19%.

All this with good cost efficiency and high solvency:

- <90% Combined ratio (COR) in non-life insurance;
- >20% life insurance operating margin;
- >190% Solvency II.

4.2. Implementation of the strategy in 2025

Simplicity, focus, development and commitment are the 4 pillars of the PZU Group Strategy 2025–2027, announced in December 2024.

I. Simplicity – Simpler Group structure and stronger operational agility

The PZU Group continues its efforts aimed at simplifying its operating model and reducing process complexity. The initiatives which are being implemented strengthen the organization's agility and enable more efficient use of resources, resulting in higher efficiency and better cooperation and synergy among Group units.

Group Reorganization

In the first half of 2025, the PZU Group began reorganizing to create a new banking and insurance group by merging PZU with Bank Pekao. Details in this regard are presented in Chapter 4.3.

Operating model

In 2025, PZU Group implemented an operating model around business units focused on clients and their needs. Processes to optimize its functioning within this system were also implemented. Currently, there are 6 business units operating independently of each other, which have gained greater autonomy due to organizational changes, which has visibly accelerated the pace of change to meet client needs.

II. Focus – Ensuring profitable growth of the insurance business

Strengthening leadership in the bancassurance market in Poland

In 2025, the PZU Group has been consistently growing its bancassurance offering, integrating insurance products with banking services to provide customers with comprehensive protection in one place. PZU Dom property insurance was introduced, distributed as part of mortgage loans as well as a stand-alone product for customers with savings and checking account (RORs) at Bank Pekao. Insurance against children's accidents (NNW PZU Edukacja) was implemented at Alior Bank, responding to the needs of families and making everyday life protection more available. The offering was also expanded to include a new Bank Pekao regular premium life insurance product designed for customers taking out cash loans. Thanks to these measures, the PZU Group maintains an approximate 35% share in the bancassurance market in Poland, strengthening its leadership position in this segment.

Pricing and asset underwriting

A comprehensive transformation of pricing and asset underwriting processes has begun. Efforts included a clear separation of competencies between data science and portfolio management teams, as well as an expansion of the analytical structure and of the use of machine learning models. The analytics platform has been moved to the cloud; the MLOps approach and open source technologies have been implemented, providing greater scalability, flexibility and process efficiency. In addition, we have started implementing AI-based solutions in underwriting, enabling more precise risk assessment. In the corporate property insurance segment, the PZU Group has launched a digital platform, mojaFirma.pzu.pl, reducing the time to prepare business insurance offer to a few minutes thanks to risk assessment algorithms and an intuitive interface.

Expanding product offerings in life insurance

In 2025, new developments have been introduced that make insurance coverage more accessible and flexible. Life insurance offerings have been expanded, with additional products for customers with individual policies. Among them were:

- an expanded critical illness insurance, with a choice of coverage levels and benefits of up to PLN 1 million;
- insurance for treatment abroad, covering costs of therapy of up to €2 million, providing access to the best treatment outside Poland.

At the same time, a pilot group insurance was launched where the sum insured is based on salary multiples. This model simplifies the implementation process for employers and allows a better match between the level of protection and the financial situation of employees, making it possible to attract new entities in a previously less explored segment.

Inward reinsurance in foreign markets

The year 2025 saw the beginning of an active expansion in the foreign reinsurance segment. A specialized team was formed, the most promising markets were selected, and the first contracts outside the Group were signed. This will enable us to better diversify revenue sources, spread risks and strengthen our competitive position in the international insurance market.



III. Development – investment in health market, digitization and offerings developed with partners

Innovations

In December 2025, the main assumptions of PZU's new IT Strategy for 2025–2027 were presented.The document focuses on fully leveraging the potential of data, digital technologies, and solutions based on cloud, AI and Low Code, which are expected to become an important source of business value for the entire organization. Particular emphasis has been placed on developing future-ready competencies and building a modern operating model that enables faster delivery of technological solutions, increased process efficiency, and greater cost transparency.

The strategy also assumes a significant strengthening of data security and operational stability, treating them as essential foundations for further development. The ambitions include, among others: delivering 10% of new business needs using Low Code, shortening time-to-market by 20%, increasing IT development efficiency by 15%, and ensuring that 100% of critical systems are covered by digital resilience mechanisms developed under the strategy. All these efforts aim to enable faster, more predictable, and more efficient delivery of change, reinforcing the role of IT as a key partner in the years ahead.

The PZU Group is also working on the introduction of additional AI-based improvements that will streamline processes and accelerate the pace of work across the entire organization. PZU already operates more than 30 solutions with AI components, with another 30 in preparation, including: optimization of damage-handling routing and a tool for transcription and analysis of telephone conversations with customers. Moreover, the Group actively cooperates with the startup ecosystem through the PZU Ready for Startups program. Since its launch, 90 pilots have been carried out, of which more than 50 projects have been implemented, generating total benefits for PZU exceeding PLN 250 million. Examples include tools supporting online sales of dedicated insurance programs, monitoring of cyberthreats on the internet and darknet, and data extraction from RFPs in selected non-life insurance areas. The Group is also developing initiatives supporting the digital transformation of the organization. In 2025, more than 12,000 PZU employees gained access to a generative AI-based assistant in the form of a chat interface. This is one of the largest implementations of such a tool for employees in Poland and another PZU project leveraging GenAI. More than 5,500 employees are already using the AI assistant each month, and the number of active users has increased by as much as 80% since the tool's introduction.

Development of the Health Pillar

In the Health pillar, work has been carried out to expand the network of proprietary and partner facilities, which, according to the adopted strategy, is considered the main lever for increasing profitability in this area. In 2025, these efforts have been significantly expanded, with, among others, PZU Health's acquisition of a 100% stake in Białystok-based Humana Medica Omeda, one of the key private facilities in the region; this represents the next step in growing the medical infrastructure and goes in line with our billion-złoty investment plan. The deal supports the growth of medical services and strengthens PZU as one of the fastest-growing health operators in Poland.

Development of the digital channel

The PZU Group is enhancing mojePZU within the existing functionalities, and is actively seeking and testing the relevance of new and unique features in the insurance market. By 2025, the number of customers using mojePZU reached about 5.8 million, confirming the growing scale of digitization and the importance of remote channels in the Group's service model. Dynamic user growth is an important part of the strategy implementation and reinforces PZU's position as a leader in the digital transformation of financial and insurance services.

Embedded insurance

In 2025, the PZU Group has been developing its embedded insurance segment, including through the implementation of "PZU Pomoc w Podróży LOT" extended travel assistance insurance, available directly when a person purchases an airline ticket. These actions are guiding future growth in embedded insurance sales, in line with the goal of increasing premiums written in this channel.

IV. Engagement

Support for innovation and investment in transformation and infrastructure

The PZU Group was the first and largest commercial partner to join Innovate Poland, a program which aims at supporting Polish innovation leaders. The initiative combines public and private capital, providing at least 4 billion złoty in financing, with an option to increase it to over a dozen billion. This will give some 250 innovative companies access to private equity and venture capital funds. The operating model is designed to ensure efficiency, transparency and market compliance. The funds are repayable - investments are designed to make a profit, after which the capital is reinvested or returned to investors. The Group also supports investments in energy transition and infrastructure development, as exemplified by TUW PZUW's leading role in the creation of the Polish nuclear pool and its participation in insuring the construction of Poland's largest offshore wind farm – Baltica 2.

Foreign companies

In the area of foreign companies, in 2025, the Group conducted activities directed at increasing sales and improving client service. This involved in particular: working on developing new functionalities within self-service portals as well as pricing models; implementing sales management strategies in new channels; automating damage evaluation and policy documentation in Estonia; increasing x-sell capabilities by implementing simple minicasco products in Estonia, or building an engine model to automatically predict the next product for a client at Lithuania-based Lietuvos Draudimas; developing a modern data warehouse in Latvia; launching a modified group life insurance product in the Lithuanian market.

ESG are an integral part of PZU Group’s business

ESG is an integral part of PZU Group’s business. The following are value elements that provide a reference for the objectives implemented at the level of each business area.

Environment (E)

Strengthening resilience in the face of climate change:

- Reducing CO2 intensity in corporate insurance, banking and investments;
- Financing projects that support green transition;
- Impact of climate change on claims ratio included in pricing.

Social impact (S)

Developing social skills:

- Diversity, equality, inclusiveness;
- Financial security, on the road and online;
- Physical and mental health.

Corporate governance (G)

Building a modern and transparent governance model:

- New governance model;
- Arranging the structure of assets.

Main strategic ambitions in the ESG area

1. 23% reduction in CO2e emissions in corporate insurance, based on clients’ emissions reporting, by 2030.
2. Support green transformation and innovation through investments of PLN 3 billion.
3. Development of competencies, mental and physical health, and modern education. Social initiatives are expected to cover 15 million people annually.
4. 8 million users in the mojePZU digital channels.
5. The highest NPS on the market in every year of the strategy’s duration.

Initiatives carried out in 2025

Environment (E)

In terms of financing projects that support sustainable development and innovation, the PZU Group has increased financing for one wind farm in 2025, completed ESG-linked loan transactions and invested in private equity funds.

TUW PZUW insured the Baltica 2 offshore wind farm in 2025 and initiated the creation of the Nuclear Insurance Pool, a consortium of Polish insurers to provide coverage for nuclear power projects in Poland.

In order to better account for climate risk in the premium calculation process, additional geolocation data and flood maps developed by the Institute of Meteorology and Water Management have been incorporated into the PZU Dom's product pricing model.

Social (S)

With respect to employees, in 2025, PZU organized the 7th edition of the #TogetherWeCreateTheFuture conference, dedicated, i.a., to the role of artificial intelligence, authenticity and communication in relations with employees and customers; carried out an initiative promoting diversity and inclusiveness (#wPZUjestemSobą); and, as part of its #DobryStan well-being strategy, pursued the Summer School of Wellbeing program, supporting employees' mental and physical health and the development of psychosocial competencies.

In 2025, PZU led prevention and social projects to promote health, safety and responsible attitudes. They included:

- the "Slow down, Champ" prevention campaign aimed at building a social culture in which responding to dangerous situations becomes the norm rather than the exception.
- the "We Save and Teach How to Save" educational program aimed at primary school Grade 1-3 students, which includes learning first aid;
- the "Clean Message" educational and social campaign which aims to educate and demonstrate how to protect yourself and others in a world full of misinformation.

In 2025, PZU has implemented a series of measures in the service and product areas, as well as in digital channels, affecting the perception of the PZU brand among consumers, including further processes to enable digital service. Measures have been implemented to popularize account creation and the use of the mojePZU service, including through printing relevant information on PZU envelopes, setting targets for sales, operations and claims handling channels, as well as engaging in text and e-mail messaging with customers. Scenarios have also been prepared for customers making purchases without logging in, and the service's digital accessibility standard has been raised.

Governance (G)

Activities related to changes in the governance model and asset organization efforts are described in the next subsection.

Key ESG KPIs – a summary of implementation in 2025

1. **Target:** PLN 3 billion invested in the green transition and innovation.
   Implementation: the value of new investments amounted to PLN 917.5 million.

2. **Target:** reaching 15 million people annually through social initiatives.
   Implementation: the estimated number of people reached by social campaigns in 2025 was 16.1 million.

3. **Target:** 8 million users in the mojePZU digital channels.
   Implementation: at the end of 2025, approximately 5.8 million people were using the mojePZU service.

4. **Target:** the highest NPS on the market in every year of the strategy.
   Implementation: a representative NPS Relationship study commissioned by PZU for 2025 placed PZU as number one on the market. The study covered customers of PZU and PZU Życie.

4.3. PZU Group reorganization towards a holding structure

In 2025, a reorganization process was launched in the PZU Group to create a new banking and insurance group by merging PZU with Bank Pekao.

Letter of intent – 2 December 2024

The first step in the reorganization phase was the signing of a letter of intent between PZU and Bank Pekao on 2 December 2024, which envisaged taking steps to reorganize the PZU Group's assets in order to optimally utilize the potential of all its companies.

Memorandum of cooperation – 2 June 2025

PZU and Bank Pekao signed a memorandum of cooperation on 2 June 2025, which provided a framework for further work toward the Group's reorganization. At this stage, it was announced that both brands will retain their identities, distinctiveness and autonomy of operation in their business areas, just as they have for many years within the PZU Group, but the new group will be headed by a bank rather than an insurer. To achieve this, it will first be necessary to divide PZU by separating a holding company and a wholly-owned subsidiary for its non-life insurance operations. The PZU holding company will then be merged with Bank Pekao as the acquirer. Ultimately, there will be one company listed on the Warsaw Stock Exchange with a much higher capitalization and greater liquidity of shares than the current two, thus increasing the attractiveness of such an entity from the point of view of investors and the entire capital market.

Term Sheet – 26 June 2025

PZU and Bank Pekao signed a Term Sheet on 26 June 2025, i.e., a document that preliminarily establishes the principles of cooperation between the two companies in a potential transaction to reorganize the capital group and create a new banking and insurance group. The signing of the document was another step in the preparation of the transaction, strengthening the parties' cooperation. Among other things, it was agreed that the companies would establish a Steering Committee and joint working groups to carry out work on the project.

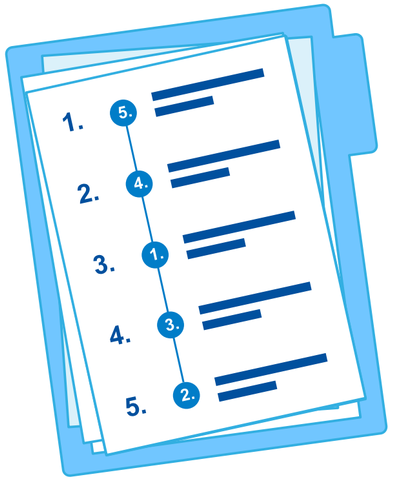
To ensure close coordination of activities, the parties agreed to establish a Steering Committee composed of the presidents of PZU and Bank Pekao and one board member from each company. The committee will meet regularly and make decisions unanimously. Among other things, the committee will determine the project's schedule and milestones. The parties will also jointly hire an external project manager and establish working groups – joint and in-house – for specific areas of project implementation activities.

The Term Sheet also indicated that the parties would determine the rules for determining the parity of exchange of PZU shares for Bank Pekao shares that would be issued to PZU shareholders in the process of merging the companies. The parity is to be determined taking into account the interests of all shareholders, including minority shareholders, and valuations of PZU and Bank Pekao will be made by reputable entities selected by the insurer and the bank, respectively.

According to the Term Sheet, it was announced that the intention of the parties is to complete the potential transaction by 30 June 2026. The document included a caveat that the execution of the transaction is subject to a number of factors beyond the control of the parties, including the entry into force of relevant legislative changes, including amendments to four laws (on the principles of state property management, banking law, insurance and reinsurance activity and insurance distribution), the agreement and conclusion of relevant transaction documentation by the parties (within 120 days of the entry into force of the necessary legislative changes), obtaining approvals from the Council of Ministers and a number of regulatory approvals, in particular from the KNF.

Annex to Term Sheet – 19 December 2025

On 19 December 2025, PZU and Bank Pekao agreed on amendments to the Term Sheet. The parties now intend to finalize the potential transaction by 31 December 2027. Conditions have also been set, and failure to meet them will result in the termination of the Term Sheet. In particular, the Term Sheet will no longer be effective if the agreed legislative changes enabling the potential transaction are not published in the Polish Journal of Laws by the end of December 2026, and do not come into force by the end of April 2027.



4.4. A strategic perspective

The year 2026 will be the second year in which the current Strategy is implemented. In the short and medium term (current and continued perspective), activities aimed at increasing operational efficiency and developing insurance offerings remain key. The long-term priority is to adapt to key trends, including demographic changes and the challenges of the climate transition. These efforts will allow the PZU Group to build a consistent competitive edge and support its own sustainable development.

I. Short-term and medium-term outlook

Maintaining competitiveness and improving operational efficiency

The insurance market is facing strong competitive pressures due to aggressive pricing in the property insurance segment and the growing power of intermediaries. In response to these challenges, the PZU Group intends to focus on improving its pricing and risk segmentation processes to increase pricing accuracy and flexibility in adjusting offerings. At the same time, making claims handling more efficient by implementing a modern service system that will enhance customer experience will be a key direction of efforts.

Developing life insurance to meet market needs

In the life insurance market, offerings tailored to the needs of different generations are growing in importance. In view of this, a key direction in individual insurance will making the full range of offerings and processes available in digital channels, with a particular focus on individual continuation (IK), as well as developing products aimed at the silver and middle-age generations. In the group segment, maintaining a strong market position while increasing profitability, digitization and automation of processes will be a priority.

Expanding the bancassurance offering

The PZU Group assumes a dynamic development of its bancassurance offering, focusing on stand-alone products and solutions linked to regular premium loans. These measures will allow the Group to fully utilize the potential of its banking assets.

Increasing the profitability of health insurance

In the health segment, the priority will be to increase profitability and revenue, develop self-service in digital channels, standardize patient pathways, and expanding the network of proprietary establishments, which will strengthen PZU's position as a leader in comprehensive insurance and protection products.

II. Long-term perspective – opportunities

Energy transformation and scale-up of infrastructure investment

Projects in renewable energy, grid modernization and transport are generating new risks, requiring specialist products, advanced analytics and closer cooperation with reinsurers. For insurers, this means having to develop competencies in assessing technological and regulatory risks and create solutions to support investment financing. According to the National Energy and Climate Plan (KPEiK), by 2030, investments in RES, grids, energy storage units, thermo-modernization and electromobility will amount to some PLN 1.1 trillion, which will significantly boost investment, thereby increasing the demand for insurance to accompany these projects.

Technology solutions for further process optimization

Insurers are heavily deploying cutting-edge technologies, with a focus on artificial intelligence and machine learning to support the personalization of offerings, optimization of decisions and risk analysis. In recent years, most companies have increased the number of technology partnerships, including in the area of cloud services. Process automation solutions and customer service tools, such as chatbots and voicebots, are also being used increasingly often to streamline communication, reduce service time and cut costs while improving the customer experience. What remains a key challenge, however, is regulating responsible and legitimate use of AI, which may limit the full realization of its potential.

Changes in demographics combined with the increasing wealth of society

In the long term, the PZU Group's business will be significantly shaped by two key trends: demographic changes and the growing affluence of society. Poland's population is aging, and the working-age population is steadily declining. Projections by Statistics Poland indicate that by 2060, people in non-working age (0-17 and 60+/65+) will make up the majority of the population. This demographic structure will increase demand for health insurance covering the costs of chronic disease treatment, rehabilitation or long-term care, as well as for products that provide financial stability in retirement. Growing awareness of health risks may further accelerate the development of private health insurance, which is already experiencing rapid premium growth in Poland. At the same time, higher household income and wealth are changing consumer attitudes toward coverage. Customers are increasingly often opting for voluntary products, expecting higher-quality service, personalization and innovative financial solutions. Increased affluence contributes to building financial awareness and trust in insurance institutions, which opens up space for comprehensive protection and long-term products. Such significant demographic and economic changes will create ample opportunities to develop PZU's offerings to meet both the health-related and financial needs of society.

Stable economic growth supporting the expansion of the insurance sector

Economic growth contributes to increasing demand for insurance products and investment in innovation, creating a solid foundation for market growth. IMF forecasts average annual GDP growth in Poland of about 3% by 2030, supporting the sector's expansion and

increasing customers' ability to purchase policies. What is more, rising household incomes make people more inclined to hedge risks, especially in health care and assets. Growth in private consumption and investment translates into greater demand for, among other things, motor and corporate insurance, which, combined with low market penetration, opens up space for dynamic growth in the sector in the coming years.

II. Long-term perspective – risks

Rising reinsurance and claims handling costs due to climate change

Climate change poses a serious threat to the long-term prospects of the insurance market. More frequent and more intense weather events such as floods, hurricanes and fires are causing a surge in payouts, putting a strain on insurers' bottom lines and raising the price of coverage. As a result, there is increasing pressure on product availability, and some risks are becoming difficult to insure. According to Swiss Re's forecasts, global insured losses caused by natural disasters will grow at a rate of 5-7% a year, which will translate into increasingly higher reinsurance rates, limited capacity and market withdrawal from the most exposed areas.

Excessive legislative burden on the insurance sector

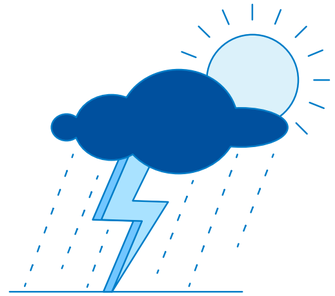
The Polish insurance market is characterized by a significant regulatory burden, which results from the implementation of both EU directives and national regulations. This means strong pressure to invest in IT and operational processes to ensure compliance with the new requirements. Key challenges include the continued implementation of the IDD, which strengthens consumer protection by increasing transparency in sales and advisory, and of the CSRD which requires detailed ESG reporting, covering the environmental, social and governance-related impacts of operations. The AI Act, which regulates the use of artificial intelligence in insurance products and customer service, is also an important element, requiring risk classification and compliance of algorithms with ethics and transparency. Additional pressure on the sector is coming from the Retail Investment Strategy (RIS) and FiDA, which are changing the rules for the distribution of investment products, affecting sales models, intermediary compensation and advisory processes. KNF's recommendations on the analysis of the client needs (APK) and supervision of intermediaries, including in the area of bancassurance and the agency network, create additional challenges. The consequences include the need to integrate reporting and analytical systems, higher operational risks associated with simultaneous implementation of multiple acts, and pressure for efficiency and innovation in customer service.

Geopolitical fragmentation and fiscal pressures

Growing international tensions, trade conflicts and political instability are leading to disruptions in global supply chains, higher operating costs and more unpredictable risks in both assets and finance. At the same time, fiscal pressures from rising government spending and debt may result in increased taxes, reduced tax credits or the introduction of additional burdens on the financial sector. This, in turn, reduces insurers' profitability, hinders their investment in innovation and limits their ability to offer competitive products. In the long term, these things can lead to a decline in investor confidence, an increase in the cost of capital and pressure on margins, which would consequently hamper market growth.

Low public insurance awareness

One of the significant challenges to the long-term development of the insurance market is the relatively low level of insurance awareness among the public, which results in underinsurance not only for households, but also for businesses and the public sector. Without knowing the benefits of coverage, many Poles view insurance as an unnecessary cost rather than an investment in financial security. This stifles innovation, limits product diversification and makes it difficult to build household resilience to risks that are becoming increasingly real in a rapidly changing world. In addition, the insurance gap, meaning the difference between the actual needs for financial security and what is realistically covered by insurance, reaches in Poland a level that is equal to more than a quarter of the state budget (figure from the Polish Chamber of Insurance (PIU)). Moreover, too many people do not adequately protect themselves against risk, as evidenced by the fact that half of all real estate remains without any kind of insurance policies, and only one in four cars is covered by MOD insurance.



5. Risk management

5.1. PZU Group’s risk profile
5.2. Risk management system
5.3. Risk map
5.4. Risk sensitivity
5.5. Internal control system
5.6. Operation of the risk management system and internal control system in 2025

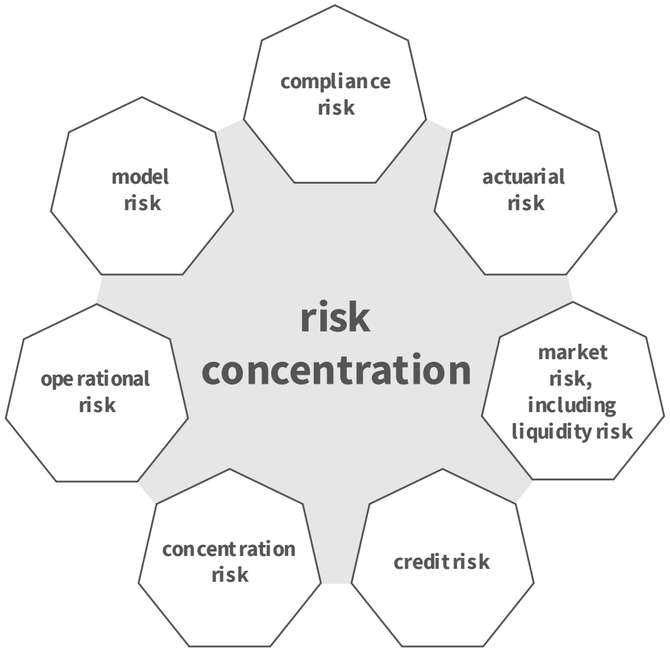


5.1. PZU Group’s risk profile

[IIRC]

The major risks to which the PZU Group is exposed include the following: underwriting risk, market (including liquidity) risk, credit risk, concentration risk, operational risk, model risk and compliance risk.

Major risks in the PZU Group



In 2025, there was no materialization of risks that could materially adversely affect PZU’s operations.

No events were identified in the insurance business that would significantly affect the PZU Group’s risk level. However, the situation in the banking sector required special attention.

The major risks associated with the operation of Alior Bank and Bank Pekao include the following risks: credit risk (including the risk of loan portfolio concentration), operational risk and market risk (involving interest rate risk, FX risk, commodity price risk and financial instrument price risk) and liquidity risk.

The overall risk of the banking sector entities, taking into account PZU’s shares in both banks, accounts for approximately 33% of the PZU Group’s total risk (Q3 2025), while the largest contribution is in credit risk.

Inflation stabilized in the first quarter of 2025, followed by a gradual decline. This prompted the Monetary Policy Council to initiate a cycle of interest rate cuts, which contributed to the increase in the number of loans granted by PZU Group banks. At the same time, their financing costs began to decline. The quality of the loan portfolio of Bank Pekao remained stable, while that of Alior Bank improved steadily.

Legal risks remained important in the banking sector in 2025. The inflow of new litigation related to CHF-denominated loans at PZU Group banks remained in line with expectations. However, significant risks persist because of potential court settlements concerning consumer loans, particularly with regard to so-called “free credit” sanctions, which could significantly affect the cost and profitability of the loan portfolio. In addition, the risks are exacerbated by the ongoing discussions with the UOKiK regarding the expected conduct by banks when customers report unauthorized transactions.

Elements of sustainability risks, particularly those related to climate change, are managed as part of the individual risk categories identified later in the Report. Furthermore, selected ESG risks are subject to separate assessment within the framework of the risk analysis process and the key risk identification process. The main risks in this area are transformation risks and physical risks. In accordance with the European Commission’s Sustainability Reporting Guidelines, transformation risks refer to the transition to a low carbon and climate resilient economy. Physical risk on the other hand entails financial losses stemming from the physical consequences of climate change and encompasses acute (e.g. storms, fires) and long-term risk (rising sea level).

ESG risks and opportunities

The process of managing individual risk categories takes into account the requirements of sustainable development, also with regard to the PZU Group’s subsidiaries, while respecting the provisions of generally applicable laws and internal regulations of the PZU Group, including the ESG ambitions, as defined in the PZU Group Strategy.

Risk management and internal controls ESG

Underwriting risk

The likelihood of a loss or an adverse change in the value of liabilities under the existing insurance contracts and insurance guarantee agreements, due to inadequate assumptions regarding premium pricing and creating technical provisions.

Risk identification commences with a proposal to develop an insurance product and continues until the expiry of the related liabilities. The identification of underwriting risk is performed, among others, as follows:

- analyzing the general terms and conditions of insurance with respect to the risk being undertaken and compliance with the generally binding legal regulations;
- analyzing the general / specific terms and conditions of insurance or other model agreements with respect to the underwriting risk being undertaken on their basis;
- recognizing the potential risks related to a given product to measure and monitor them at a later time;
- analyzing the impact exerted by the introduction of new insurance products on capital requirements and risk margin computed using the standard formula;
- verifying and validating modifications to insurance products;
- assessing underwriting risk through the prism of similar existing insurance products;
- monitoring of existing products;
- analyzing the policy of underwriting (assessment of the risk accepted for insurance), tariffs, technical provisions and reinsurance and the claims and benefits handling process.

The assessment of underwriting risk consists in the identification of the degree of the risk or a group of risks that may lead to a loss, and in an analysis of risk elements in order to make an underwriting decision.

The measurement of underwriting risk is performed using:

- an analysis of selected ratios;
- the scenario method – an analysis of impairment arising from an assumed change in risk factors;
- the factor method – a simplified version of the scenario method, reduced to one scenario per risk factor;
- statistical data;
- exposure and sensitivity measures;
- application of the expertise of the Company's employees.

The monitoring and control of underwriting risk includes a risk level analysis by means of a set of reports on selected ratios.

Reporting aims to ensure effective communication regarding underwriting risk and supports management of actuarial risk at various decision-making levels – from an employee to the Supervisory Board. The frequency of each report and the scope of information provided therein are tailored to the needs at each decision-making level.

The management actions contemplated in the underwriting risk management process are performed by doing the following:

- defining the level of tolerance for underwriting risk and monitoring it;
- business decisions and sales plans;
- calculation and monitoring of the adequacy of technical provisions;
- tariff strategy, monitoring of current estimates and assessment of the premium adequacy;
- the process of assessment, valuation and acceptance of underwriting risk;
- application of tools designed to mitigate underwriting risk, including in particular reinsurance and prevention.

Moreover, mitigation of the underwriting risk inherent in current operations is supported by:

- defining the scopes of liability in the general / specific terms and conditions of insurance or other model agreements;
- co-insurance and reinsurance;
- application of an adequate tariff policy;
- application of the appropriate methodology for calculating technical provisions;
- application of an appropriate procedure to assess underwriting risk;
- application of a correct claims or benefits handling procedure;
- sales decisions and plans;
- prevention.

Reinsurance

Reinsurance protection in the PZU Group secures insurance activity, limiting the consequences of the occurrence of catastrophic phenomena that could adversely affect the financial standing of insurance undertakings. This task is performed through obligatory reinsurance contracts supplemented by facultative reinsurance.

Reinsurance treaties in PZU

PZU consciously and adequately protects the Company's financial result against the results of materialization of natural risks, e.g. severe storms, floods, droughts or fires, associated with, among others, the climate change. For this purpose, the PZU Group runs, among others, periodic analyzes of the non-life insurance portfolio for its exposure to natural disasters. The portfolio is divided into zones with specific degrees of exposure to the risk of floods and cyclones has been introduced. The values of prospective losses are assigned to each one of the zones under analysis. They correspond to the severity of a given phenomenon and, consequently, its specific probability level. On this basis, as part of the annual reinsurance cover program design process, the distribution of the level of possible catastrophic loss is estimated.

PZU uses reinsurance treaties to limit its risk related to catastrophic losses among others through a catastrophic non-proportional excess of loss treaty and a non-proportional excess of loss treaty for crop insurance. The risk related to the consequences of large single losses, in turn, is mitigated under non-proportional reinsurance treaties to protect its portfolios of property, technical, marine, air, third party liability and third party liability motor insurance.

PZU's risk is also mitigated by proportional and non-proportional reinsurance of the financial insurance portfolio (guarantees, commercial credit) and proportionate reinsurance of cybernetic risks.

PZU's reinsurance partners have high rating agency assessments. That evidences the reinsurer's robust financial position and affords the Company security.

PZU's inward reinsurance business involves the PZU Group's other insurance companies. As a result of the exposure to protect Baltic companies, LINK4 and TUW PZUW, PZU continues to generate a high gross written premium by virtue thereof. The Company also generates gross written premium on inward reinsurance on domestic business through facultative and obligatory reinsurance.

Further, as part of its international expansion, PZU conducts selective reinsurance activity in selected European markets, which allows it to develop its foreign insurance competence and builds the Company's position in the region.

Reinsurance treaties in PZU Życie

The outward reinsurance treaty entered into by PZU Życie protects the company's entire portfolio against the accumulation of risk and individual policies with higher sums insured.

Reinsurance partners have high rating agency assessments. That evidences the reinsurer's robust financial position and affords the Company security.

Reinsurance treaties in the PZU Group's international companies, LINK4 and TUW PZUW

The PZU Group's other insurance companies, i.e., Lietuvos Draudimas, Lietuvos Draudimas Branch in Estonia, AAS BALTA, PZU Ukraine, PZU Lietuva gyvybes draudimas, LINK4 and TUW PZUW have reinsurance cover aligned to the profile of their operations and their financial standing. Every material insurance portfolio is secured with the appropriate obligatory treaty. Reinsurance cover is provided for the most part by PZU, which transfers a portion of the accepted risk outside the Group.

Reinsurance premium under PZU's obligatory treaties according to the rating



Main reinsurers in 2025: Munich Re, Hannover Re, Swiss Re, VIG Re, Scor

Reinsurance premium under PZU Życie's obligatory treaties according to the rating



Main reinsurers in 2025: QBE, VIG Re, Mapfre

Market risk, including liquidity risk

Market risk is understood as the risk of a loss or an adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, credit spread, as well as value of liabilities and financial instruments.

The risk management process for the credit spread and concentration risk has a different set of traits from the process of managing the other sub-categories of market risk and has been described in a subsequent section (Credit risk and concentration risk) along with the process for managing counterparty insolvency risk.

The market risk in the PZU Group originates from three major sources:

- operations associated with asset and liability matching (ALM portfolios);
- operations associated with active allocation, i.e., designating the optimum medium-term asset structure (non-ALM portfolios);
- banking operations – in conjunction with them the PZU Group has a material exposure to interest rate risk.

Numerous documents approved by supervisory boards, management boards and relevant committees govern investment activity in the PZU Group entities.

Market risk identification consists in the identification of actual and potential sources of this type of risk. For assets, the identification of risk begins with the decision to commence transactions in a given type of financial instrument. Units that make a decision to start entering into such transactions draw up a description of the instrument containing, in particular, a description of the risk factors. They convey this description to the unit responsible for risk that identifies and assesses market risk on that basis.

The identification of market risk associated with insurance liabilities commences with the process of developing an insurance product. It involves identification of the relationship between the cash flows generated by that product and the relevant market risk factors. The identified market risks are subject to assessment using the criterion of materiality, specifying whether the materialization of risk entail a loss capable of affecting the financial condition of a particular PZU Group entity.

Market risk is measured using the following risk measures:

- standard formula in accordance with the rules defined by Solvency II Directive;
- exposure and sensitivity measures.

In the case of banking entities suitable measures are employed in accordance with the regulations applicable to this sector and best market practices. These measures were included in the risk appetites of the entities.

Market risk measurement is divided into stages, in particular:

- collection of information on assets and liabilities that generate market risk;
- calculating the value of risk.

The risk measurement is performed:

- daily – for exposure and sensitivity measures of the instruments in systems used by particular PZU Group companies;
- monthly – based on the estimations of the standard formula for selected market risk submodules;
- quarterly – based on the standard formula.

Monitoring and control of market risk involves an analysis of the level of risk and of the utilization of the designated limits.

Reporting involves communicating to the various decision-making levels information concerning the level of market risk and the results of monitoring and controlling it. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions in respect of market risk involve in particular:

- execution of transactions serving the purpose of mitigation of market risk, i.e. selling a financial instrument, closing a position on a derivative, purchasing a derivative to hedge a position;
- diversification of the assets portfolio, in particular with respect to market risk categories, maturities of instruments, concentration of exposure in one entity, geographical concentration;
- setting market risk restrictions and limits.

The application of limits is the primary management tool to maintain a risk position within the acceptable level of risk tolerance. The structure of limits for the various categories of market risk and also for the various organizational units is established by appointed committees in such a manner that the limits are consistent with risk tolerance as agreed by the management boards of the PZU Group subsidiaries. Banking sector entities are in this respect subject to additional requirements in the form of sector regulations.

Financial liquidity risk means the possibility of losing the capacity to settle, on an ongoing basis, the PZU Group's liabilities to its clients or business partners. The liquidity risk management system aims to maintain the capacity of fulfilling the entity's liabilities on an ongoing basis. Liquidity risk is managed separately for the insurance part and the bancassurance part.

The risk identification involves analysis of the possibility of occurrence of unfavorable events, in particular:

- shortage of liquid cash to satisfy current needs;
- lack of liquidity of financial instruments held;
- structural asset-liability maturity mismatch.

Risk assessment and measurement involve estimation of the shortage of cash to pay for liabilities. The risk estimate and measurement is carried out from the following perspectives:

- liquidity gaps (static, long-term financial liquidity risk) – by monitoring a mismatch of net cash flows resulting from insurance contracts executed until the balance sheet date and inflows from assets to cover insurance liabilities in each period, based on a projection of cash flows prepared for a given date;

- potential shortage of financial funds (medium-term financial liquidity risk) – through analysis of historical and expected cash flows from the operating activity;
- stress tests (medium-term financial liquidity risk) – by estimating the possibility of selling the portfolio of financial investments in a short period to satisfy liabilities arising from the occurrence of insurable events, including extraordinary ones;
- current statements of estimates (short-term financial liquidity risk) – by monitoring demand for cash reported by the date defined in regulations which are in force in that entity.



The banks in the PZU Group employ the liquidity risk management metrics stemming from sector regulations, including Recommendation P issued by the Polish Financial Supervision Authority.

To manage the liquidity of the banks in the PZU Group, liquidity ratios are used for different periods ranging to 7 days, to a month, to 12 months, and to above 12 months.

Within management of liquidity risk, banks in the PZU Group also analyze the maturity profile over a longer term, depending to a large extent on the adopted assumptions about development of future cash flows connected with items of assets and equity and liabilities. The assumptions take into consideration:

- stability of equity and liabilities with indefinite maturities (e.g. current accounts, cancellations and renewals of deposits, level of their concentration);
- possibility of shortening the maturity period for specific items of assets (e.g. mortgage loans with an early repayment option);
- possibility of selling items of assets (liquidity portfolio).

Monitoring and controlling financial liquidity risk involves analyzing the utilization of the defined limits.

Liquidity ratios of both PZU Group banks remained at high levels throughout the year, significantly above regulatory requirements.

Liquidity risk reporting involves communicating the level of financial liquidity to various decision-making levels. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

The following measures aim to reduce financial liquidity risk:

- maintaining cash in a separate liquidity portfolio at a level consistent with the limits for the portfolio value;
- maintaining sufficient cash in a foreign currency in portfolios of investments earmarked for satisfying insurance liabilities denominated in the given foreign currency;
- provisions of the Agreement on managing portfolios of financial instruments entered into between TFI PZU and PZU regarding limitation of the time for withdrawing cash from the portfolios managed by TFI PZU to at most 3 days after a request for cash is filed;
- the possibility of performing sell-buy-back transactions on treasury securities, including those held until maturity;
- centralization of management of portfolios/funds by TFI PZU;
- limits of liquidity ratios in the banks belonging to the PZU Group.

Credit risk and concentration risk

Credit risk is understood as the risk of a loss or an adverse change in the financial situation resulting from fluctuations in the reliability and creditworthiness of issuers of securities, counterparties and all debtors. It materializes in the form of a counterparty's default on a liability or an increase in credit spread.

The following risk categories are distinguished in terms of credit risk:

- credit spread risk – the possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of credit spreads over the term structure of the interest rates on securities issued by the State Treasury; Credit spread risk are regarded as an integral part of market risk when measuring risk for the purposes of risk profile, risk tolerance, and market risk ratio monitoring and reporting.
- counterparty default risk;
- credit risk in financial insurance.

Asset concentration risk is understood as the possibility of incurring loss stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers. Asset concentration risk is regarded as an integral part of market risk when measuring risk for the purposes of risk profile, risk tolerance, and market risk ratio monitoring and reporting.

Credit risk and concentration risk are identified at the stage of making a decision on an investment in a new type of financial instrument or on accepting credit exposure. It involves an analysis of whether the contemplated investment entails credit risk or concentration risk, what its level depends on and what its volatility over time is. Actual and potential sources of credit risk and concentration risk are identified.

Risk assessment consists of estimating the probability of risk materialization and the potential impact exerted by risk materialization on a given entity's financial standing.

The measurement of credit risk is performed using:

- measures of exposure (gross and net credit exposure and maturity-weighted net credit exposure);
- capital requirement calculated using the standard formula.

Concentration risk for a single entity is calculated using the standard formula.

A measure of total concentration risk is the sum of concentration risks for all entities treated separately. In the case of related parties, concentration risk is calculated for all related parties jointly.

In the case of banking entities suitable measures are employed in accordance with the regulations applicable to this sector and best market practices. Credit risk is measured using a set of loan portfolio quality metrics.

Monitoring and control of credit risk and concentration risk involves an analysis of the current risk level, assessment of creditworthiness and calculation of the degree of utilization of existing limits. Such monitoring is performed, without limitation, on a daily, monthly and quarterly basis.

The monitoring pertains to:

- credit exposure in investment portfolios;
- credit risk exposures in financial insurance;
- exposures to reinsurance;
- exposure limits and risk tolerance limits;
- credit exposures in the processes in effect in banking entities.

Reporting involves providing information on the levels of credit risk and concentration risk and the effects of monitoring and control. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions in respect of credit risk and concentration risk involve in particular:

- setting limits to curtail exposure to a single entity, group of entities, sectors or countries;
- diversification of the portfolio of assets and financial insurance, especially with regard to country and sector;
- acceptance of collateral;
- execution of transactions to mitigate credit risk, i.e. selling a financial instrument, closing a derivative, purchasing a hedging derivative, restructuring a debt;
- reinsurance of the financial insurance portfolio.

The structure of credit risk limits and concentration risk limits for various issuers is established by appointed committees in such a manner that the limits are consistent with the adopted risk tolerance determined by the management boards of the respective subsidiaries and in such a manner that they make it possible to minimize the risk of 'infection' between concentrated exposures.

In banking activity the provision of credit products is accomplished in accordance with loan granting methodologies appropriate for a given client segment and type of product. The assessment of a client's creditworthiness preceding a credit decision is performed using tools devised to support the credit process, including a scoring or rating system, external information and the internal databases of a given PZU Group bank. Credit products are granted in accordance with the binding operational procedures stating the relevant actions performed in the lending process, the units responsible for that and the tools used.

To minimize credit risk, adequate collateral is established in line with the credit risk incurred. The establishment of a security interest does not waive the requirement to examine the client's creditworthiness.

In 2025, the quality of the loan portfolio at both PZU Group banks was acceptable and remained within the risk appetites they adopted.

At the end of 2025, in PZU's and PZU Życie's debt instrument portfolio held at own risk, exposures to two issuers were classified to Stage 3 under IFRS9. These two exposures accounted for about 0.5% of the value of assets covered by the placement strategy. The quality of the remaining portion of PZU's credit portfolio remained stable.

Operational risk

Operational risk is the risk of suffering a loss resulting from improper or erroneous internal processes, human activities, system failures or external events.

Operational risk is identified in particular by:

- accumulation and analysis of information on operational risk incidents and the reasons for their occurrence;
- self-assessment of operational risk;
- scenario analyses.

Operational risk is assessed and measured by:

- calculating the effects of the occurrence of operational risk incidents;
- estimating the effects of potential operational risk incidents that may occur in the business.

Monitoring and control of operational risk is supported mainly by an established system of operational risk indicators and limits enabling assessment of changes in the level of operational risk over time and assessment of factors that affect the level of this risk in the business.

Reporting involves communicating to the various decision-making levels information concerning the level of operational risk and the results of monitoring and controlling it. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions involving reactions to any identified and assessed operational risks involve primarily:

- taking actions aimed at minimizing risks, for instance by strengthening the internal control system;
- risk transfer – in particular, by entering into insurance agreements;
- risk avoidance by refraining from undertaking or withdrawing from a particular type of business in cases where too high a level of operational risk is ascertained and where the costs involved in risk mitigation are unreasonable;
- risk acceptance – approval of consequences of a possible realization of operational risk unless they threaten to exceed the operational risk tolerance level.

Model risk

Model risk, classified by the PZU Group as significant, is defined as the risk of incurring financial losses, incorrectly estimating data reported to the regulatory authority, taking incorrect decision or losing reputation as a result of errors in the development, implementation or application of models.

The formal identification and assessment process for this risk was implemented in PZU and PZU Życie to ensure high-quality practices for model risk assessment.

The model risk management process involves:

- risk identification, which takes place through regular identification of the models used in the areas covered by the process; (identified models are assessed for materiality);
- risk measurement, which is based on the results of independent model validations and monitoring;
- risk monitoring, which involves ongoing analysis of deviations from the adopted points of reference regarding the model risk (including verification of how recommendations are implemented, verification that the level of model risk is acceptable from the point of view of internal regulations);
- risk reporting, which involves communicating the process results on the appropriate management level, in particular results of risk monitoring, validation and measurement;
- management actions, which aim to mitigate the model risk level; they can be active (e.g. recommendations resulting from completed validations) and passive (developing model and model risk management standards).

In the entities from the banking sector, given the high significance of model risk, the management of this risk has already been implemented in the course of adaptation to the requirements of Recommendation W issued by the KNF. Both PZU Group banks have defined standards for the model risk management process, including the rules for developing models and evaluating the quality of their operation, ensuring at the same time appropriate corporate governance solutions. Model risk is factored into the risk appetite of both banking sector entities.

Compliance risk

The compliance risk understood as the risk that PZU, PZU Życie, other PZU Group entities or related parties may infringe on the law, internal regulations and adopted standards of conduct, including ethical standards. It results or may result in:

- incurring legal sanctions by the Company / PZU Group entities or persons acting on its behalf;
- incurring financial loss;
- or loss of reputation or credibility.

The compliance risk also includes the risk that the operations performed by the PZU Group will be out of line with the changing legal environment (both in the area of the so called “hard law” and “soft law”). This risk may materialize as a result of delayed implementation or absence of clear and unambiguous laws. This may cause irregularities in business and, as a result, lead to higher costs (for instance, administrative penalties, other financial penalties) and a heightened level of loss of reputation risk. Due to the broad spectrum of the PZU Group’s business, reputation risk is also affected by the risk of litigation that is predominantly inherent in the Group’s insurance entities and banks.

PZU and PZU Życie have consistent and uniform solutions for ongoing compliance risk management and monitoring.

Identification, assessment, reporting and analysis of compliance risk are carried out at relevant levels of risk management at the Company, in accordance with the competencies under the regulations adopted at PZU and PZU Życie.

The compliance risk at PZU and PZU Życie level is analyzed taking into account the cyclical risk self-assessment prepared by the unitary organizational structures as part of the ongoing risk management in the supervised areas. The results of the self-assessment are subject to systematization on the basis of compliance risk awareness arising from all activities undertaken by the compliance function of PZU and PZU Życie.

These include analyses of the legal situation and legislative changes, supervisory recommendations, results of compliance analyses, findings from investigations of notifications, and participation in implementation projects for new regulations. Conclusions from systemic risk analyses are one of the factors considered in planning of activities and compliance analyses by PZU and PZU Życie, and they are also the subject of reporting.

Periodically, sets of reports on the compliance risk management system of PZU and PZU Życie are provided to Members of the Management Board and Supervisory Board.

Compliance risks in the PZU Group

PZU makes efforts aimed at ensuring adequate and uniform standards of compliance solutions in all subsidiaries of the PZU Group and monitors compliance risk throughout the entire Group. In 2025 the compliance systems of PZU Group entities were aligned with the standards set by PZU and appropriate to their business profile and scale.

Compliance units of each PZU Group entity are responsible for providing the PZU Compliance Department with full information on compliance risks. They are required to assess and measure compliance risk, undertake and implement appropriate remedial actions, which reduce the likelihood of realization of this risk.

The most significant powers of PZU’s Compliance Department in the area of compliance risk in the PZU Group are as follows:

- monitoring observance of the standards of conduct, including ethical standards, in consideration of the best practices adopted in the PZU Group;
- ensuring coordination and uniform solutions in deploying the compliance function and managing compliance risk in the PZU Group;
- initiating and recommending changes in systemic solutions and analyzed processes in place at PZU Group companies ensuing from compliance analyses;
- assessing compliance risk at the level of the PZU Group and execute the compliance function in the PZU Group;
- consulting and exchanging information with subsidiaries of the PZU Group in order to ensure consistency in the process of compliance risk identification and assessment;
- preparing reports and management information regarding the efficiency and adequacy of the compliance function in the PZU Group, and submitting them to the Management Board and the Supervisory Board of PZU;
- providing substantive support and advisory for the PZU Group entities in performing the compliance function tasks;
- consulting and cooperating with PZU Group entities in order to ensure uniform solutions in deploying the compliance function in the PZU Group, fulfilling reporting obligations arising from the Supplementary Supervision Act and adopting a consistent approach of the PZU Group’s regulated entities to the preparation of responses to inquiries sent by the Polish Financial Supervision Authority systemically to regulated entities;
- preparing, developing and promoting common training and information standards in the PZU Group;
- providing analysis and ongoing monitoring of the application of “Chinese wall” rules – in connection with the additional investor commitments made by PZU on 21 April 2017 (as part of the proceedings following the notification on the intent to purchase Bank Pekao’s shares).

The compliance area was engaged in working to ensure that the Company met the requirements imposed by a number of legal acts, among which the following can be mentioned:

- Bill amending the Banking Law, Act on Insurance and Reinsurance Activities, and Certain Other Laws (Holding Act);
- Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, measures on long-term guarantees, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU (Revision of the Solvency II Directive);
- Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024, laying down harmonized rules on artificial intelligence and amending Regulations (EC) No. 300/2008, (EU) No. 167/2013, (EU) No. 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (AI Act);
- Draft artificial intelligence systems act;
- Draft recommendation of the KNF on insurance distribution;
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting (CSRD);
- Act of 6 December 2024 Amending the Act on Accounting, the Act on Statutory Auditors, Audit Firms and Public Supervision and Certain Other Acts;
- Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (DORA);
- Act of 25 June 2025 Amending Certain Acts in Connection with Ensuring the Operational Digital Resilience of the Financial Sector and Issuing European Green Bonds;
- Proposal Directive of the European Parliament and of the Council amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards Union rules on retail investor protection (RIS Package);
- Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonized rules on fair access to and use of data, and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (Data Act);
- Bill on Fair Access to and Use of Data;
- Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No. 1094/2010, (EU) No. 648/2012, (EU) No. 806/2014 and (EU) 2017/1129 (IRRD);
- Regulation of the European Parliament and of the Council on the proposed framework for access to financial data, and amending Regulations (EC) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) No 2022/2554 (FIDA);
- Position of the Polish Financial Supervision Authority on certain aspects of the use of outsourcing by insurance and reinsurance companies.
- Regulation of the Minister of Finance of 10 February 2025 on specific rules related to the investment by the insurance company of assets from life insurance contracts in which the investment risk is incurred by the policyholder;
- Regulation (EU) 2024/162 of the European Parliament and of the Council of 31 May 2024 establishing an Office for the Prevention of Money Laundering and Terrorist Financing and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010;
- Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing;
- Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms that Member States should put in place to prevent using the financial system for money laundering or terrorist financing, amending Directive (EU) 2019/1937 and amending and repealing Directive (EU) 2015/849;
- Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (Pay Transparency Directive);
- Act of 4 June 2025 Amending the Labor Code;
- Act of 26 April 2024 on Ensuring that Business Entities Meet Accessibility Requirements for Certain Products and Services;
- Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (Women on Boards);
- Bill Amending the Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading, and on Public Companies and the Act on Implementation of Certain Provisions of the European Union on Equal Treatment;

- Bill on Restrictive Measures (“Sanctions Act”);
- Consumer Loan Bill;
- Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (eIDAS 2.0).

PZU Życie’s operation remains compliant with the requirements of the product intervention (decision of the FSC of 15 July 2021 with regard to prohibitions of marketing, distribution and sale of investment products – life insurance contracts, if they are related to UFK), including in particular: the product offering comprises only investment products for which the compliance tests performed showed compliance with both criteria indicated in the above-mentioned decision (Multi Kapitał II and Świat Inwestycji Premium II).

Risk concentration

When managing the various categories of risk, the PZU Group identifies, measures and monitors risk concentration. Compliance with the regulatory obligations imposed on groups identified as financial conglomerates is supported by the model introduced in 2020 to manage significant risk concentration in the PZU Financial Conglomerate in keeping with the requirements of the Supplementary Supervision Act.

Supplementary supervision protects the financial stability of lending institutions, insurance undertakings, reinsurance undertakings and investment firms being members of financial conglomerates. The supervision is exercised, among others, through measuring the risk concentration level in the financial conglomerate as a whole, also from the perspective of regulated entities being its members.

The implementation of this model served the purpose of defining the risk concentration management principles and supporting the units involved in the process, in particular through:

- defining the roles and responsibilities of individual participants of the significant risk concentration management process;
- introducing consistent risk definitions;
- introducing the principles of identifying, measuring and assessing risk;
- determining the risk profile of exposures identified as material concentration;
- defining the risk limits and threshold values;
- defining the principles of monitoring significant risk concentrations;
- introducing the principles of reporting and management decision-making.

Regulated subsidiaries monitor and submit regular reports to the leading entity in the PZU Financial Conglomerate on the measures and data required to identify risk concentrations. In the case of identification of an excessive risk concentration, management actions are implemented on the level of the given entity or the whole financial conglomerate.

Risk concentration is measured and monitored, in particular, in the following dimensions:

- concentration per counterparty or group of counterparties;
- concentration per currency;
- concentration per sector of economy;
- concentration per country;
- concentration per asset type.

5.2. Risk management system

The objective of the PZU Group's risk management system is to ensure early identification and adequate management of material risks associated with the activities of the PZU Group and its individual entities. Risk management is one of the key internal processes in the PZU Group. The risk management system in place in PZU is based on three lines of defense. Its framework reflects the standards prevailing in the insurance sector and the guidelines laid down in regulatory regulations.

The risk management system in the PZU Group

PZU exercises supervision over the PZU Group's risk management system by the power of cooperation agreements entered into with other Group entities and the information provided thereunder. It manages risk at the PZU Group level on an aggregate basis, especially in terms of capital requirements. The cooperation agreements signed with the PZU Group subsidiaries enable the collection and processing of information necessary for appropriate and effective management of risk at the PZU Group level. They also guarantee that the various risks generated by the individual PZU Group entities are assessed and are based on the same standards, taking into account the requirements and restrictions arising from the applicable law. The main elements of the PZU Group's risk management system have been implemented to ensure sectoral consistency and the execution of the various entities' strategic plans and the overall PZU Group's business objectives.

The Risk Management Strategy in the PZU Group is the basis of operation of the risk management system in the PZU Group. The Group has introduced risk management rules for the affiliates identified in the strategy. The rules constitute a recommendation issued by PZU regarding the organization of the risk management system in subsidiaries. Additionally, guidelines regulating the various risk management processes in the PZU Group entities are also issued from time to time. The management boards of PZU Group companies from the financial sector are responsible for fulfilling their own duties in accordance with the generally applicable provisions of national and international law. In particular, they are responsible for the implementation of an adequate and effective risk management system.

Subsidiaries from outside of the financial sector introduce the risk management rules including the allocation of roles and responsibilities and the catalog of risks associated with the relevant activity.

The determination of the appropriate level of risk in each company is the management board's responsibility, whereas a review of the risk management system, especially the risk appetite level, is conducted once a year by the unit responsible for risk, with all actions being coordinated at the PZU Group level.

ESG risk management

The ESG risk management processes are part of a broader risk management process in the Group. ESG risks were also identified through a dual materiality assessment process. Selected ESG risks are taken into account in the investment decision-making process and in selected corporate client risk assessment processes, which enable the insurer to evaluate the premium.

The risk management process consists of the following stages:

Identification
The process commences with a proposal to develop an insurance product, buying a financial instrument, modifying an operating process, as well as whenever some other event occurs that may potentially lead to the emergence of risk. The identification process continues until the expiration of liabilities, receivables or activities associated with the risk. Risk identification involves identification of actual and potential sources of risk, which are later analyzed in terms of significance.

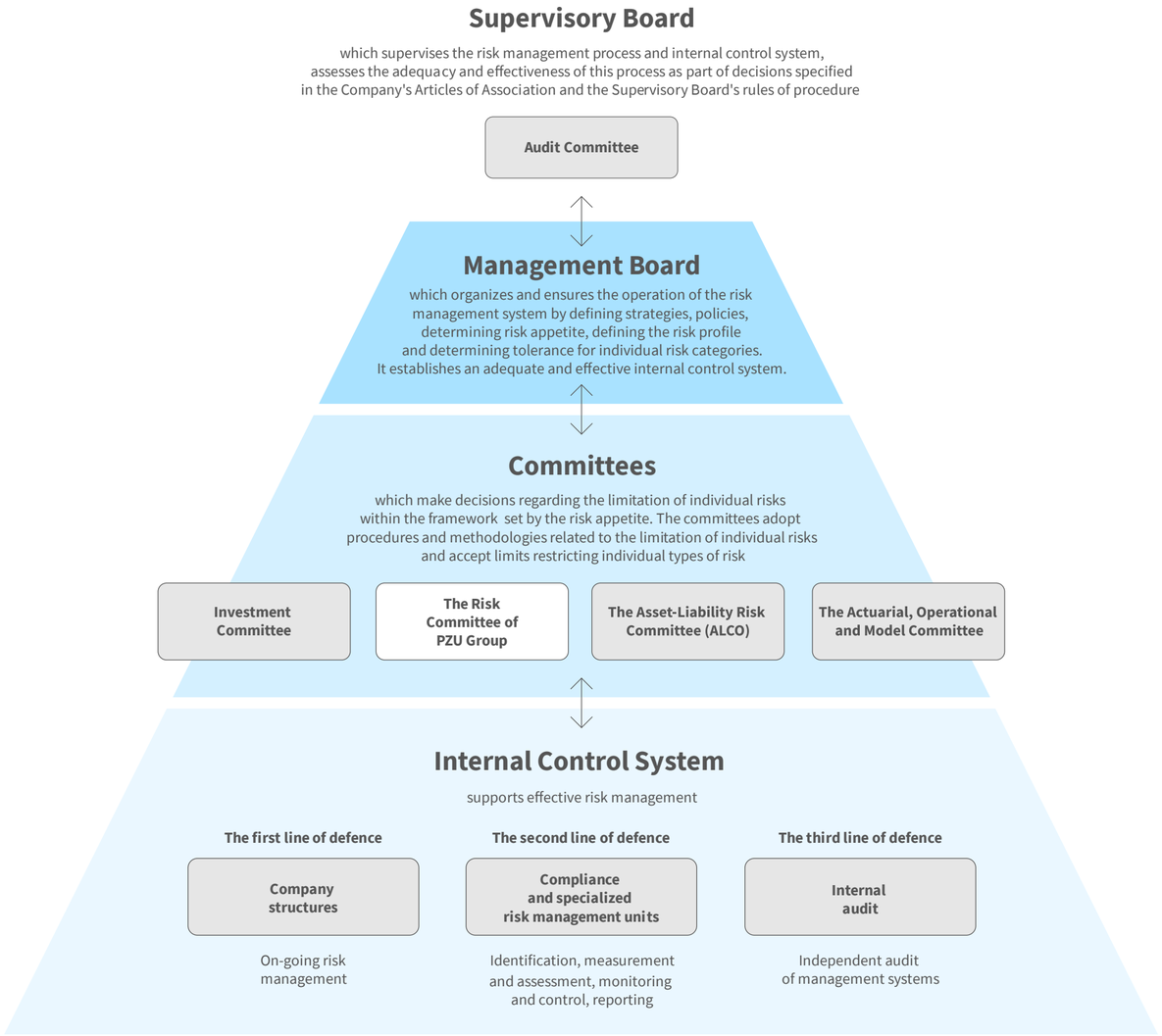
Risk measurement and assessment
Risk measurement and assessment are carried out depending on the nature of the given type of risk and the level of its importance. Risk measurement is carried out by specialized units. Risk units in each company are responsible for the development of tools and the measurement of risk in terms of risk appetite, risk profile and risk tolerance.

Risk monitoring and control
Risk monitoring and control consists in the ongoing analysis of deviations from benchmarks (limits, threshold values, plans, figures from prior periods, recommendations and guidelines).

Reporting
Reporting allows for effective communication on risk and supports risk management on various decision-making levels.

Management actions
They include, among others, risk avoidance, risk transfer, risk mitigation, acceptance of risk level, as well as implementation of supporting tools, such as limits, reinsurance programs or regular review of internal regulations.





Risk appetite

Risk appetite is defined in the PZU Group Risk Management Strategy as the minimum value of the PZU Group's solvency ratio on a consolidated basis and PZU on a standalone basis.

In addition, PZU as the leading entity in the PZU Group Financial Conglomerate manages risk concentration at the level of the overall conglomerate. The leading entity has established the risk concentration management standards, in particular through introduction of rules for identification, measurement and assessment, monitoring and reporting of significant risk concentration and making managerial decisions.

Once a year, the internal audit unit prepares an Annual Activity Report, which includes, in particular, an evaluation of the internal control system and the risk management system. The procedure for preparing the report and its scope are governed by separate internal regulations. For the purposes of report, the risk unit prepares information as to the adequacy and effectiveness of the risk management system.

Sustainability risks, particularly those related to climate change, are managed as part of the individual risk categories identified later in the Report. Furthermore, selected ESG risks are subject to separate assessment within the framework of the risk analysis process and the key risk identification process. The main risks in this area are transformation risks and physical risks.

The management process for various risk categories comprises requirements of sustainable development, and the same applies at the level of each PZU Group subsidiary, in compliance with prevailing provisions of law and individually defined PZU Group internal policies, including the ESG Strategy which constitutes an integral part of the PZU Group Strategy.

Risk management – subsidiaries

Risk management responsibility, including the climate impact risk

The consistent split of powers and tasks in the PZU Group and in its various financial sector subsidiaries covers four decision-making levels: Supervisory Board, Management Board, Committees, and various operating units within the three lines of defense.

1. Supervision over the risk management systems in the various financial sector entities is exercised by supervisory boards. PZU designates its representatives to the supervisory boards of its subsidiaries, including in particular the Alior Bank Group and the Pekao Bank Group.

2. The management boards of PZU Group entities are responsible for executing their own duties in accordance with the generally applicable provisions of national and international law. In particular, they are responsible for implementing an adequate and effective risk management system. The Management Board organizes the risk management system and ensures that it is operational by adopting strategies and policies, setting the level of risk appetite, defining the risk profile as well as tolerance levels for the individual categories of risk.

3. Committees decide about limiting the levels of individual risks to fit the risk appetite framework they have defined, adopt procedures and methodologies for mitigating the individual risks and accept the limits for individual risk types. Selected members of the Management Boards sit in the Committees. In 2025, the Investment Risk Committee was abolished and its powers were taken over by the Asset and Liability Management Committee.

4. The fourth decision-making level pertains to operational measures in the various business units divided into three lines of defense. At PZU, an assessment of the internal audit function is carried out internally (annually) and by third parties (no less than once every five years).

5.3. Risk map

PZU's risk map results from the nature of its business and the PZU Group's strategy and business plans; it is subject to periodical monitoring and control. Given the scale of insurance operations by the PZU Group companies and the amount of funds earmarked for investment, the most significant risks are underwriting risk, market risk and the risk associated with the activity of undertakings operating in other financial sectors. In the last item, credit risk is the most important.

In compliance with the applicable provisions of the Solvency II, the PZU Group calculates its consolidated solvency capital requirement (SCR) reflecting the value of eligible own funds that would enable the PZU Group to cover significant unforeseen losses which may occur with a probability of 0.5% within one year. As such, SCR means a loss that may occur in a worst-case scenario with a probability of once in 200 years.

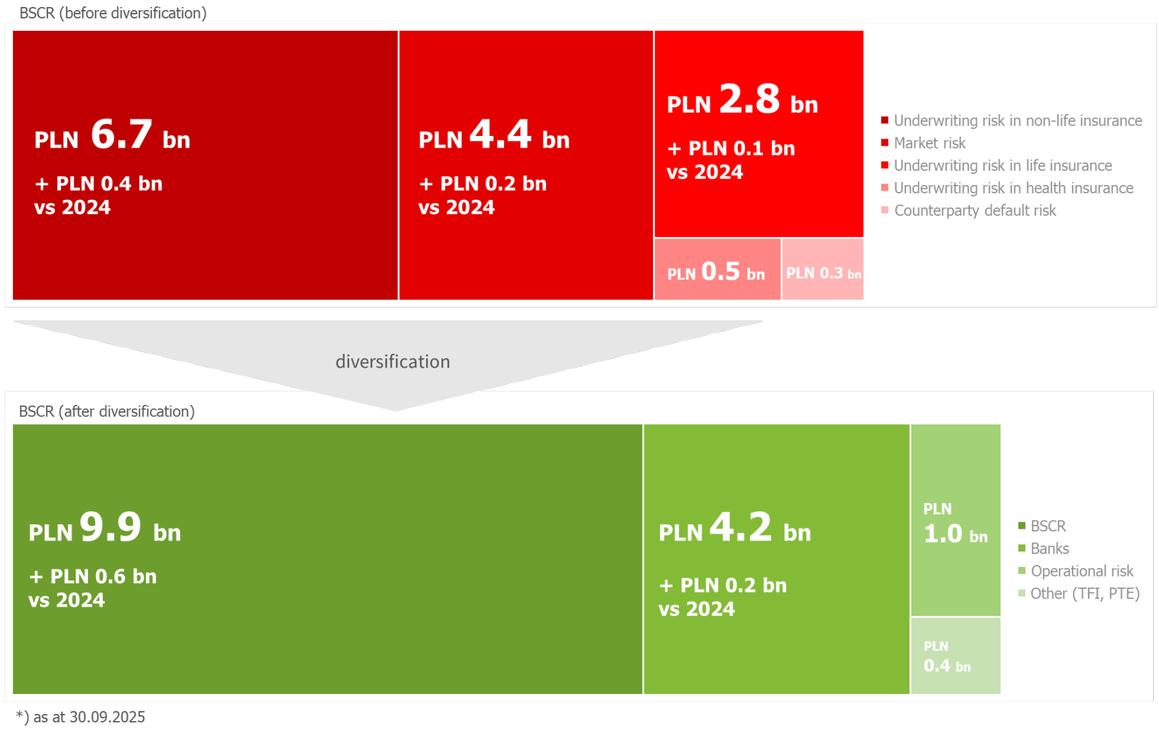
SCR is to ensure sufficient degree of protection of the interests of the insured. PZU Group's SCR is calculated on the basis of the standard formula according to the Solvency II and includes the following risks: underwriting risk, counterparty insolvency risk, operational risk and the adjustment related to the capacity of deferred income tax to cover losses.

The Basic Solvency Capital Requirement (BSCR) before diversification at the end of Q3 2025[66] amounted to PLN 14.8 billion, and the SCR stood at PLN 14.1 billion. The risk profile, understood as the relative contribution of individual risk modules, did not materially change. Over the first nine months of 2025, the SCR increased by 7%. The elevated growth dynamics were driven primarily by higher GDP growth, expanding business volumes, higher interest rates and moderate inflation.

BSCR (+PLN 0.57 billion) and **operational risk** (+PLN 0.05 billion) increased by 5–6%:

- **Non-life underwriting risk** (+PLN 0.41 billion before diversification and +PLN 0.30 billion after diversification; +6%) – the increase resulted from higher premium volumes (PAA revenues under IFRS +7%) and higher catastrophe risk linked to rising sums insured and the effects of the previous year's floods. Natural catastrophe risk was partly mitigated through reinsurance.
- **Market risk** (+PLN 0.23 billion; +5.6%) – the increase in equity and spread risk reflects the pursuit of higher returns in an environment of declining government bond yields, including through additional exposure to Polish corporate debt instruments, purchases of government securities denominated in currencies other than the currency of issue, and selective investments in investment funds and equities. Moreover, capital charges for equities increased due to the Solvency II symmetric adjustment mechanism. At the same time, purchases of non-PLN denominated securities and the appreciation of the złoty contributed to a reduction in currency risk (narrowing of the Solvency II FX gap).
- **Life underwriting risk** (+PLN 0.13 billion; +5%) – the business remained stable, although growth dynamics were slightly lower. The rise in lapse risk resulted from improved profitability of individual products. Changes in calculation methodology also had an impact.
- **Banks** (change in requirement attributable to PZU: +PLN 0.25 billion, +9%) – this is the effect of regulatory changes (CCR) at the beginning of the year, which increased Alior Bank's capital requirement by PLN 0.2 billion (+15%) and at the same time reduced the requirement for Bank Pekao (mainly in the area of operational risk) by PLN 0.05 billion (-2%). Furthermore, the dynamics of changes in capital requirements in banks was similar to that observed in the insurance segment.

2025 Risk map – BSCR / SCR of the PZU Group*



*) as at 30.09.2025

66) The report on the solvency and financial condition of the PZU Group for 2025 will be published on the PZU website in the Investor Relations section at the turn of April and May 2026.

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
Underwriting risk in non-life insurance	Premium and provisioning risk	The possibility of loss or adverse change in the value of insurance liabilities: • resulting from fluctuations in the occurrence, frequency and severity of insured events, as well as fluctuations in the timing and amount of claims and benefits payments (premium risk); • resulting from the risk of lack of coverage of current and future liabilities, resulting from insurance contracts and insurance guarantee contracts (provisioning risk).	Underwriting risk mitigation in non-life insurance is carried out in particular through the following activities: • definition of the scope of liability in the general terms and conditions of insurance and other model agreements; • co-insurance and reinsurance; • application of an adequate tariff policy; • application of the appropriate methodology for calculating technical provisions; • application of an appropriate procedure to assess underwriting risk; • application of the appropriate claims handling procedure; • sales decisions and plans; • prevention. In the area of premium and provisioning risk, the following actions are carried out: • active monitoring of the combined ratio; • an analysis of the impact of changes in the external environment on the statistical data used to calculate premiums and provisions; • proactive monitoring of results achieved on individual products; • a reinsurance program designed to mitigate potential financial losses resulting from an unexpected increase in loss ratio.
	Catastrophic risk	Catastrophic risk – the risk of loss, or of adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and technical provisioning assumptions related to extreme or irregular events.	
	Lapse risk	The risk of loss or adverse change in the value of insurance liabilities, resulting from changes, trends or volatility of the lapse rates, policy lapses, redemptions and renewals.	

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
			In the area of catastrophic risk, the following actions are carried out: • monitoring of changes in portfolio exposure; • monitoring of the reinsurance program's volume and deductible, including potential modification thereof in order to mitigate losses resulting from catastrophic events; • exposure map for non-life insurance; • analysis of exposures to the risk of fire (in relation to the risk of fire within a 200 m radius); • creation of a flooding risk model, to be used in a wide spectrum of business applications (including underwriting, tariff-setting) and a flooding exposure map.
Market risk	Interest rate risk	The possibility of incurring a loss as a result of changes in the value of financial instruments or assets and a change in the present value of projected cash flows from liabilities, caused by changes in the term structure of market rates or in the volatility of risk-free market interest rates.	Management actions in respect of market risk involve in particular: • transactions to mitigate market risk, i.e. buying or selling a financial instrument, closing a derivative, or purchasing a hedging derivative; • diversification of the assets portfolio, in particular with respect to market risk categories, maturities of instruments, concentration of exposure in one entity, geographical concentration; • setting market risk restrictions and limits.
	Equity risk	The possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the level or in the volatility of market prices of equities.	
	Credit spread risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.	

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
Underwriting risk in life insurance	Foreign exchange risk	The possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of currency exchange rates.	The setting of limits is the main management tool for maintaining risk positions within acceptable risk tolerance levels. The structure of limits for the various categories of market risk and also for the various business units is established in such a manner that the limits are consistent with the risk profile and risk tolerance set by the management of each unit.
	Property risk	The possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the level or in the volatility of market prices of property.	
	Asset concentration risk	The possibility of incurring loss stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.	
	Mortality risk	The risk of loss or of adverse change in the value of insurance liabilities resulting from changes in the level of mortality rates, where an increase in mortality rates leads to an increase in the value of insurance company's liabilities.	Underwriting risk mitigation in life insurance is carried out in particular through the following activities: • definition of the scope of liability in the general terms and conditions of insurance; • definition of the exclusion of liability in the general terms and conditions of insurance; • reinsurance actions; • application of an adequate tariff policy; • application of the appropriate methodology for calculating technical provisions; • application of an appropriate procedure to assess underwriting risk; • application of a correct benefits handling procedure; • sales decisions and plans; • prevention.
	Longevity risk	The risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level of mortality rates, where a decrease in a mortality rate leads to an increase in the value of insurance company's liabilities.	
	Risk of incapacity – morbidity	The risk of loss or adverse change in the value of insurance liabilities, resulting from changes in the level of disability, bodily injury and morbidity rates.	
	Lapse risk	The risk of loss or adverse change in the value of insurance liabilities, resulting from changes in the level of policy lapses, terminations, renewals and surrenders.	

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
Operational risk	Expense risk	The risk of loss or adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.	
	Catastrophic risk	The risk of loss or adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events.	
	Security risk	The risk of incurring a loss due to ineffective or erroneous solutions to protect the Company's operations from harmful human actions or external factors, as well as actions constituting an abuse of the law; this includes IT security risk, understood as the risk arising from non-compliance (deviations) with the Company's policies, external regulations, procedures, standards and good practices in the field of IT security;	Management actions involving reactions to any identified and assessed operational risks involve, in particular: • risk mitigation by taking actions aimed at minimizing risks, for instance by strengthening the internal control system; • risk transfer – in particular, by entering into insurance agreements; • risk avoidance by refraining from undertaking or withdrawing from a particular type of business in cases where too high a level of operational risk is ascertained and where the costs involved in risk mitigation are unreasonable; • risk acceptance – approval of consequences of a possible realization of operational risk unless they threaten to exceed the operational risk tolerance level.
	Legal risk	The risk of incurring a loss resulting from actions that are inconsistent with applicable laws, internal regulations or contractual obligations, which may also arise as a result of erroneous, late adoption or non-adoption of legal regulations and erroneous interpretation of regulations;	
	Personnel risk	The risk of incurring a loss resulting from inadequate and ineffective personnel policies, lack of adequate human resources, human errors including improperly designed and implemented processes;	
	IT risk	The risk of incurring a loss due to information technology that does not meet business requirements for reliability and data availability at the level assumed by the Company, or has not been properly implemented and is not operating as intended.	

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
Underwriting risk in health insurance			The process of managing underwriting risk in health insurance is analogous to the risk management processes in non-life insurance and in life insurance, depending on the nature of health insurance. Sales of health insurance products was not assigned to a separate distribution channel and is handled by separate sales networks of non-life and life insurance companies. In view of separate management models for health insurance products in non-life and life insurance companies and slight underwriting risk of health insurance, no separate risk management systems were distinguished for health insurance. Products similar in their properties to life insurance products are managed as life insurance, whereas other ones are managed as non-life insurance.
Credit risk	Counterparty default risk	The possibility of incurring a loss as a result of unexpected default of PZU Group's counterparties and debtors or deterioration of their credit rating.	Management actions in respect of credit risk in the insurance part of the PZU Group involve in particular: • setting limits to curtail exposure to a single entity, group of entities, sectors or states; • diversification of the portfolio of assets and financial insurance, especially with regard to state, sector; • acceptance of collateral; • execution of transactions serving the purpose of mitigation of credit risk, i.e. selling a financial instrument, closing a derivative, purchasing a hedging derivative, restructuring a debt; • reinsurance of the financial insurance portfolio.
	Banks	Risk of loss or of adverse change in the financial situation, to which the PZU Group is exposed, resulting from fluctuations in the trustworthiness and creditworthiness of issuers of securities, counterparties and any debtors.	

Most significant risks of the PZU Group	Risk sub-modules	Definition	Management actions to mitigate the risk
			To mitigate credit risk, the banks in the PZU Group apply such restrictions as: • limit of exposures to single entities or entities related by capital or organizational ties; • limit of exposures to entities from the same industry, economic sector, conducting the same business activity or trading in similar commodities; • limit of exposures to entities from the same voivodeship and particular countries or groups of countries; • limit of exposures secured by the same collateral or secured by the same collateral supplier (including the risk following from collateral on securities of similar nature); • limit of exposures in the same currency.

5.4. Risk sensitivity

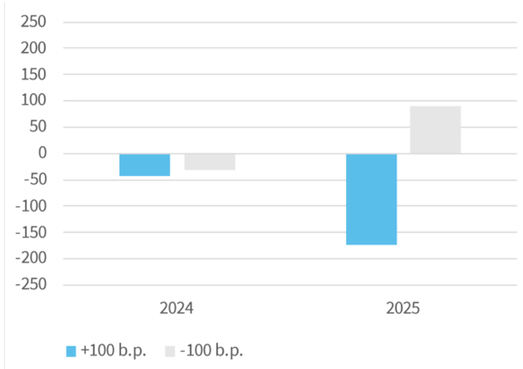
Interest rate risk

The following tables present the sensitivity test of the portfolio of financial instruments for which the PZU Group bears the risk (except for loan receivables from clients and deposit liabilities) and the portfolio of liabilities under insurance agreements.

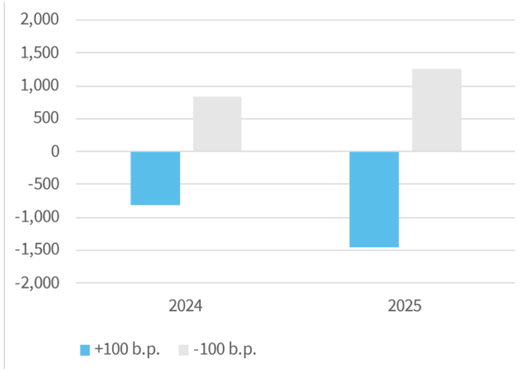
Change in portfolio value caused by a +/-100 bp shift in the yield curve, by currency of the instrument	31 December 2024				31 December 2025			
	Net profit		Equity		Net profit		Equity	
	increase	decrease	increase	decrease	increase	decrease	increase	decrease
PLN	(51)	13	(580)	592	(136)	82	(1 071)	848
EUR	20	(42)	(151)	166	(28)	10	(232)	245
USD	(19)	10	(70)	83	(9)	1	(137)	166
GBP	6	(12)	(3)	4	(1)	(4)	(5)	5
Total	**(44)**	**(31)**	**(804)**	**845**	**(174)**	**89**	**(1 445)**	**1 264**

Change in the value of assets and liabilities under insurance and reinsurance contracts as a result of a +/- 100 bps change in the yield curve, by currency	31 December 2024				31 December 2025			
	Net profit		Equity		Net profit		Equity	
	increase	decrease	increase	decrease	increase	decrease	increase	decrease
PLN	5	(7)	1,157	(1,452)	4	(5)	1,199	(1,502)
EUR	(1)	1	77	(91)	(1)	1	67	(79)
USD	-	-	(2)	2	-	-	-	(1)
GBP	-	-	8	(9)	-	-	5	(5)
other	(1)	-	3	(4)	-	-	3	(3)
Total	**3**	**(6)**	**1,243**	**(1,554)**	**3**	**(4)**	**1,274**	**(1,590)**

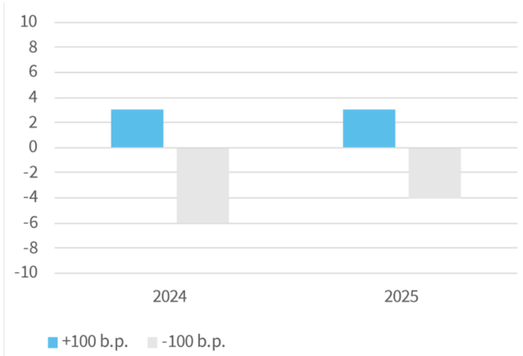
Change in portfolio value caused by a shift in the yield curve – impact on net result (PLN million)



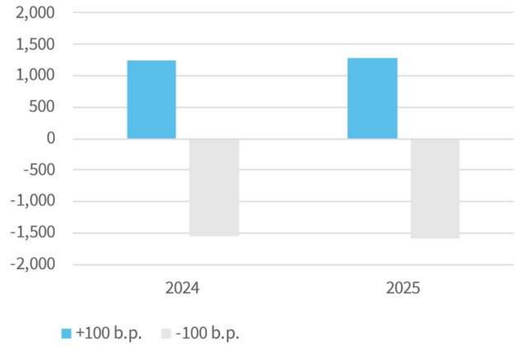
Change in portfolio value caused by a shift in the yield curve – impact on capital (PLN million)



Change in the value of assets and liabilities under insurance and reinsurance contracts as a result of a change in the yield curve – impact on net result (PLN million)



Change in the value of assets and liabilities under insurance and reinsurance contracts as a result of a change in the yield curve – impact on capital (PLN million)



The table below presents the contractual level of sensitivity of net interest income (NII) to a 100 bps change in interest rates and sensitivity of the economic value of equity (EVE) of PZU Group's banks to a 200 bps change in interest rates.

Entity	Sensitivity (%)	31 December 2024		31 December 2025	
		decrease	increase	decrease	increase
Pekao Group	NII	(0.36)%	1.42%	(0.28)%	1.15%
	EVE	1.99%	(5.16)%	1.62%	(4.13)%
Alior Bank Group	NII	(2.23)%	0.11%	(2.42)%	(1.20)%
	EVE	0.07%	(3.52)%	3.48%	(8.20)%

Equity risk

The table below presents the sensitivity test of PZU Group's portfolio of quoted equity instruments for which the PZU Group bears the risk.

Sensitivity analysis of foreign exchange risk	31 December 2024				31 December 2025			
	Net profit		Equity		Net profit		Equity	
	increase	decrease	increase	decrease	increase	decrease	increase	decrease
Equity instruments	152	(152)	176	(176)	113	(113)	136	(136)

Foreign exchange risk

The following tables present a sensitivity analysis of foreign exchange risk for portfolios of financial instruments and of assets and liabilities under insurance and reinsurance contracts.

Sensitivity analysis of foreign exchange risk	31 December 2024				31 December 2025			
	Net profit		Equity		Net profit		Equity	
	increase	decrease	increase	decrease	increase	decrease	increase	decrease
EUR – change of 20%								
Assets and liabilities under insurance and reinsurance contracts	(122)	122	(583)	583	(100)	100	(604)	604
Financial instruments	(245)	251	726	(720)	(400)	412	607	(595)
GBP – change of 20%								
Assets and liabilities under insurance and reinsurance contracts	(62)	62	(58)	58	(35)	35	(34)	34
Financial instruments	(87)	87	47	(47)	(9)	9	40	(40)
USD – change of 20%								
Assets and liabilities under insurance and reinsurance contracts	(4)	4	(4)	4	(6)	6	(6)	6
Financial instruments	(338)	341	(16)	19	(410)	413	(7)	10
Other – change of 20%								
Assets and liabilities under insurance and reinsurance contracts	(11)	11	(66)	66	(9)	9	(78)	78
Financial instruments	92	(75)	92	(75)	93	(93)	93	(93)

5.5. Internal control system

Purpose and organization

Effective risk management is supported by the Internal Control System (ICS) implemented in PZU, which offers solutions for three levels of defense:

- **1st line of defense** – includes risk management by business process owners in the course of operations;
- **2nd line of defense** – includes risk management by specialized cells responsible for risk identification, measurement, monitoring and reporting and controlling the limits;
- **3rd line of defense** – includes internal audit which conducts independent audits of the individual elements of the risk management system, as well as of control procedures.

PZU's internal control system is adapted to the Company's scale of operations and organizational structure. It aims to provide:

- effectiveness and efficiency of the operating activity;
- reliability of reporting, especially financial reporting;
- compliance of the activity with the law, internal regulations and standards of conduct;
- compliance with risk management rules.

The system includes supervision, administrative and accounting procedures, organizational structures, reporting systems, IT solutions, a compliance function, and other controls to ensure the stability and security of operations. The following elements are distinguished within the ICS:

- **control function** – including controls in processes, independent monitoring of compliance and reporting;
- **compliance function**, carried out by the Compliance Office;
- **internal control unit**, i.e., the Internal Control Department, tasked with implementing and supervising system solutions for the ICS;
- **internal audit**, carried out by the Internal Audit Department, which independently and objectively evaluates the adequacy and effectiveness of the internal control and management system.

Supervision

Supervision over the internal control system includes:

- supervision and periodic evaluation of the ICS by the Supervisory Board;
- activities of the Management Board, including the establishment of an adequate and effective internal control system;
- supervision by the PZU Group Directors and Managing Directors over the control function in the areas reporting to them;
- supervision by the head of the Internal Control Department on systemic solutions to strengthen the efficiency and effectiveness of the ICS;
- supervision by the supervisor of the internal audit function;
- supervision by PZU units in relation to their subordinate units or areas in the introduction and maintenance of effective and efficient controls.

Heads of PZU organizational units are responsible for the organization and implementation of the control function in the supervised area of PZU operations, in particular, for the design, implementation and effective functioning of control mechanisms in the implemented processes, ensuring an appropriate response to the occurring risks, as well as the organization of monitoring of compliance with the implemented control mechanisms, in proportion to the level of risk associated with the Company's operations and the processes subject to control.

The PZU Group's internal control system has been developed at the level of PZU as the leading entity and is applicable to the Group companies, in consideration of their formal distinction, proportionality and adequacy. In banking groups, the system is designed at the level of these groups, in accordance with sector regulations.

As part of cooperation with the PZU Group entities, the Company periodically analyzes information on the ICS operation, internal audits as completed and system evaluations. The goal is to enhance unified standards of operation of internal control systems throughout the Group.

Elements

The elements of the internal control system are described in more detail in Chapter 7.4.1. The risk management system and the internal control system

Compliance

The purpose of the compliance function is to ensure that PZU complies with laws, external regulations, industry standards and internal regulations. It is supervised by the Managing Director of Regulatory Affairs, reporting to the President of the PZU Management Board (or a delegated person). The appointment and dismissal of a person heading the compliance function requires the opinion of the Audit Committee of the PZU Supervisory Board.

Internal control

Internal control supports the Company's management process. It is designed to independently assess the adequacy and effectiveness of controls, as well as the quality and regularity of process implementation. At PZU, institutional control is carried out by the Internal Control Department, an independent, separate organizational unit.

Internal audit

The purpose of internal audit is to support the PZU Group in improving its operations and delivering value through independent and objective evaluation of processes. The audit is carried out independently of operational functions and involves a systematic check whether the internal control system and other elements of the management system are adequate and effective.

PZU has implemented the Internal Auditor's Code of Ethics, based on guidelines issued by the Institute of Internal Auditors (IIA). The purpose of the Code is to promote best practices and models for ethical behavior, and to motivate the need for continuous professional improvement and development of the proper image of internal auditors.

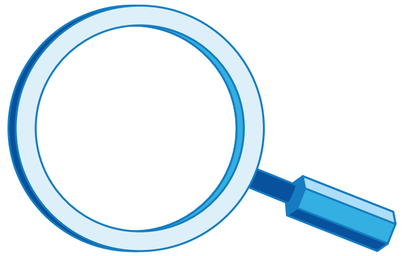
Audit tasks are carried out taking into account the Internal Audit Strategy for 2025–2027. The status of the strategy's implementation is monitored by, among other things, performance indicators for the internal audit function.

The Internal Audit Department provides the Management Board and the Audit Committee with periodic management information regarding, in particular:

- the progress in implementing the audit plan;
- the results of internal audits;
- the results of monitoring the implementation of recommendations.

In order to ensure high quality and continuous improvement of the internal audit function, internal (on an annual basis) and external (not less than once every five years) assessments of the Company's internal audit activities are conducted.

A third-party assessment of the internal audit function at PZU conducted in 2025 by KPMG and an analysis of coordination of the Group's internal audit run by the Internal Audit Department demonstrated that the activities of the Internal Audit Department were "generally compliant" with the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA).



5.6. Operation of the risk management system and internal control system in 2025

Area		Tasks	Results
Risk management	- underwriting risk	In 2025, in the area of underwriting risk, PZU and PZU Życie conducted a systematic process of risk monitoring and assessment, including both the analysis of current trends and the identification of trends that could affect the level of insurance liabilities. In response to the risk factors as identified, adequate management actions were taken both at the level of individual product groups and in aggregate.	In 2025, the monitoring confirmed the stability of underwriting parameters and the absence of risk factors requiring special attention.
	- market risk	In 2025, in the area of market risk, a process for risk monitoring and assessment was developed. The greatest emphasis was placed on accelerating and automating market risk reporting to meet the expectations of the PZU Management Board. The system of market risk measures was also adjusted to guarantee an optimal level of information for participants in the investment process inside the PZU Group.	In 2025, the monitoring process confirmed the stability of the market risk profile, with no factors identified that require special attention.
	- liquidity risk	The current conditions did not have a material impact on liquidity risk of PZU Group's insurance business in 2025. Liquidity was maintained at a safe level. As part of routine management actions regarding liquidity risk, the PZU Group constantly monitored the level of available liquid funds and the current utilization of liquidity limits.	In 2025, there were no grounds to take extraordinary management actions regarding liquidity risk.
	- credit risk	In 2025, in the area of credit risk, PZU and PZU Życie conducted a regular process of risk monitoring and assessment, taking into account changes in the economic environment and their impact on the quality of credit exposures. In response to the risks as identified, adequate management actions were taken at the level of individual counterparties and debtors, individual investment portfolios, as well as in aggregate. In particular, regular reviews of foreign country risks and sections of the economy were performed, resulting in decisions to adjust credit and credit-guarantee limits and to introduce additional qualitative restrictions in response to identified risks. At the same time, process elements were developed, which included updating investment rules for selected asset classes, with mechanisms that were appropriate to their risk profile and ensured proper mitigation of specific risks.	In 2025, monitoring confirmed the stable quality of credit exposures, and the analyses did not reveal risk factors requiring special attention.

Area		Tasks	Results
Risk management	- operational risk	In 2025, in the area of operational risk, a regular process for risk monitoring and assessment was conducted. The base of operational risk indicators monitored monthly/quarterly was expanded, and the Operational Risk Self-Assessment formula was changed to direct the examination towards identifying and assessing the most important operational risks in the business. As part of the crisis staff's operation, ongoing monitoring is being carried out for two emergencies: • the emergency situation announced on 28 January 2022 and related to the attack of the armed forces of the Russian Federation on Ukraine, which includes ongoing monitoring of the current situation in terms of business continuity of companies and security of financial assets of the PZU Group; • announced on 22 February 2022, an emergency situation related to the heightened risk of cyber-attacks, which included additional security measures in the areas of cyber threats and physical security, and a commitment for PZU Group companies to promptly report anomalies in these areas. Additional cybersafety measures were introduced to mitigate risk with increasing probability of materialization. Anomalies in terms of cyber threats, extending to subsidiaries, are under continuous 24/7 monitoring. Due to the nationwide implementation of CRP Alert Level 3 (CHARLIE-CRP) and Alert Level 2 (BRAVO), a heightened state of readiness of the physical and cyber security areas has been maintained continuously since February 2022.	In 2025, the monitoring did not reveal any operational risk factors requiring special attention. Control processes, including an expanded list of indicators, as well as strengthened physical and cyber security mechanisms, proved effective, and operational risks remained at stable, acceptable levels.
	- model risk	In 2025, in the area of model risk, PZU and PZU Życie conducted a regular process for risk monitoring and assessment. The model risk level was regularly determined and the validation plan was implemented. The results of the model risk management process, such as validation reports, were discussed on an ongoing basis within the work of a dedicated committee.	In 2025, the monitoring and validations confirmed the stability of model performance and the absence of risk factors requiring special attention.
	- compliance risk	In 2025, in the area of compliance risk at PZU, the Compliance Department took efforts to further align the compliance function with the changing legal environment and the PZU Group’s current needs. This included, in particular, works to maintain the adequacy and effectiveness of compliance processes, taking into account the PZU Group’s status as a financial conglomerate. Moreover, the compliance area was involved in the activities aligning the Company to the requirements under new and amended legal acts.	In 2025, the Compliance Department’s activities effectively supported the adaptation of processes to changing regulatory requirements. No significant non-compliance requiring specific intervention was identified.

Area		Tasks	Results
Risk management	- risk concentration	In 2025, in the area of risk concentration, a process for risk concentration monitoring and assessment was conducted. Exposures exceeding established thresholds and thus requiring special attention were subjected to additional analysis for their risks and mitigants. These measures were aimed at ensuring an acceptable level of risk for such exposures.	No need to take additional risk concentration measures was identified in 2025.
Internal control		Institutional control Under the 2025 Internal Control Plan, the Internal Control Department completed 12 problem audits. In particular, the audit covered the following areas of PZU's operations: insurance distribution and servicing, claims and benefits handling, debt collection, fleet and telephony administration, occupational health and safety, real estate management, and IT access management. Testing within the Internal Control System. Key vertical tests included the following topics: 1. Properly documented test results. The control covered all of the Company's units, which scheduled inspections in 2024. 2. Fulfillment of the obligation for the risk analysis of the Internal Control System to include factors related to risk management and resulting from the recommendations made by the second-line units, in particular the Compliance Department and the Internal Audit Department, as well as KNF, UOKiK and statutory auditors. The test was conducted on a selected sample of units. 3. Fulfillment of the obligation of the Company's units to include mandatory tests in the annual audit plan. The test was conducted on a selected sample of units.	The control tasks revealed irregularities of various weights and recommendations were made to remedy these irregularities or improve the implementation of the activities covered by the control. All recommendations with an implementation date of 2025 were implemented in whole or in part, according to schedules. Re 1 Under the recommendations addressing the identified irregularities, the unit managers or the designated persons were obliged to: 1) Make employees responsible for recording and verifying test results: • record control results properly, • verify the control results by the lead controller, • implement the planned examinations and accept the results in a timely manner. 2) Accept the examination results in a timely manner. 3) Make employees responsible for the implementation of the recommendations implement them in a proper and timely manner. Re 2 & 3 No irregularities were identified.
Internal audit		The 2025 audit at PZU Group concentrated primarily on areas that have a direct impact on customer experience and security, including service quality, data protection and process transparency. At the same time, the audit focused on areas critical to the organization's stability and growth, including risk management, process efficiency and regulatory compliance. Special emphasis was put on data security, digital transformation and controls in strategic and operational areas.	The audits resulted in recommendations to mitigate identified risks and improve operations. Supervision over the timely implementation of the recommendations is exercised by the supervising Management Board Members or Directors of the PZU Group, and the Internal Audit Department monitors and verifies their implementation, and then, after the analysis, the Department decides whether to consider them implemented.

6. Performance and dividend

6.1. Key factors affecting the financial results achieved
6.2. PZU Group’s income and costs
6.3. PZU Group’s asset and liability structure
6.4. Contribution of segments to the consolidated result
6.5. PZU’s standalone results
6.6. Impact of PZU Group strategy implementation on 2025 results
6.7. Dividend
6.8. Financial rating
6.9. Analysts’ predictions



6.1. Key factors affecting the financial results achieved

In 2025, net profit attributable to the shareholders of the PZU Group's parent company was PLN 6,699 million, compared to PLN 5,342 million in 2024 (up 25.4%). Net profit reached PLN 13,987 million, i.e. PLN 14,5% higher than in 2024, and profit before tax stood at PLN 17,842 million, compared to PLN 15,705 million the year before.

Net result rose by 11.8% compared to last year, net of non-recurring events[67].

Operating profit in 2025 was PLN 17,847 million, up PLN 13.7% compared to the result in 2024.

Key contributors to operating profit included in particular:

- **higher result in the mass non-life insurance segment** (+ PLN 824 million), largely due to the growth in the insurance service result (+ PLN 798 million) both in non-motor and motor insurance. The increase in the segment revenue was connected with higher sales growth in non-motor insurance (mainly PZU Dom property insurance, and PZU Firma product offered to small and medium-sized enterprises) and motor insurance (increase in average premium). The lower net insurance service expenses by PLN 246 million y/y (-2.0 %) which together with an increase in the net insurance contract revenue by 4,3% y/y improved profitability by the combined ratio (COR) by 5.7 percentage point.
- **higher results in the banking segment** (+ PLN 597 million), mainly due to an increase in net interest income from higher loan volumes and a stable interest margin at Bank Pekao, higher fee and commission result, partially offset by increased operating expenses and higher legal risk costs related to foreign currency mortgage loans (at Alior Bank);
- **an increase in operating profit in the investment segment** (+ PLN 341 million), particularly as a result of higher investment profit on free funds including on the portfolio of debt instruments against last year's sale of historical tranches with lower yields and reinvestment at higher yields, equity instruments due to favorable market conditions as well as commercial real estate due to higher swap point income;
- **an increase in operating profit in the corporate non-life insurance segment** (+ PLN 326 million) with a higher y/y insurance services result (+ PLN 333 million), as a result of an increase in revenues (+ PLN 328 million) in both motor and non-motor insurance and a lower level of insurance services expenses, which translated into an 8.3 p.p. improvement in profitability as measured by the combined ratio (COR);
- **higher result in the investment life insurance segment** (+ PLN 103 million) mainly as a result of changing assumptions regarding partial redemptions and costs in the IKE product translating into a decrease in the loss component;
- **higher result in the Baltics segment** (+ PLN 69 million) due to higher income from insurance contracts caused by an increase in sales in non-life and other personal insurance (mainly due to an increase in sales of non-life, health and MTPL insurance), with a simultaneous increase in the cost of claims in the current year as a result of an increase in the value of the portfolio;
- **higher operating profit in the individual protection life insurance segment** (+ PLN 55 million), mainly as a result of higher insurance revenues thanks to higher release of contractual margins and an increase in writing of premiums allocated to recovery of insurance acquisition cash flows, and expected claims and benefits as a result of developing the insurance portfolio;
- **lower operating profit in the group and individually continued life insurance segment** (- PLN 76 million), as a result of an increase in insurance service revenues through higher contractual margin release in all insurance groups and higher y/y insurance service costs through continued high utilization of health insurance benefits as well as higher claims cost in other group insurance.

In the individual operating result items, the PZU Group posted:

- **insurance revenues up** by 5.0% – to PLN 30,882 million, (+1,310 million after reinsurance premium allocations), including:
  - an increase in amortization of liability (LRC) as a consequence of higher sales growth, mainly non-motor insurance and to a lesser extent motor insurance in both non-life insurance segments as well as in the Baltics segment as a result of higher sales in non-life and other personal insurance including non-life and health insurance and MTPL insurance;
  - higher contractual margin release, including mainly in the individual insurance segment (in bancassurance, and in Type J and term insurance), and in the group and individually continued insurance segments in all insurance groups;

67) Non-recurring events in 2025 include:
– updating the provision for risks related to foreign currency mortgage loans at Bank Pekao and Alior Bank;
– recognition of provisions for client protection issues at Bank Pekao;
– revaluation of the level of deferred tax assets and liabilities at Bank Pekao and Alior Bank in connection with the increase in income tax rates for banks from 2026.
Non-recurring events in 2024 include:
– revaluation of the provision for risk associated with foreign currency mortgage loans at Bank Pekao;
– costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods)
– effect related to the aforementioned above-normal number of mass damage caused by atmospheric events, mainly flooding;
– release of impairment allowance for assets arising from the acquisition of Alior Bank

- decrease in premiums written to cover expected claims and benefits as a result of an increase in individual insurance as a consequence of the development of the insurance portfolio and a decrease in group and individually continued insurance (due to lower utilization in health insurance).

- **lower level of insurance service expenses**, which amounted to PLN 24,957 million, i.e., 0.6% less than in 2024. Expenses adjusted for the amounts recoverable from reinsurers increased by PLN 24 million, and this resulted from:
  - higher claims liabilities of the current year mainly in the corporate insurance segment (in both non-motor and motor insurance), in group and individually continued insurance, and in the Baltics segment. The increases were partially offset by a decline in current year claims liabilities in the mass insurance segment (mainly in non-motor insurance – with an above-normal number of mass claims caused by weather events in 2024);
  - release of higher y/y excess net claims reserves from previous years over the value of payouts, mostly in the non-life corporate insurance segment;
  - excess depreciation over the creation of a loss component in the mass non-life insurance segment, mainly on the MTPL portfolio, and a decrease in the loss component in the investment life insurance segment as a result of a change in assumptions for partial redemptions and costs in the IKE product;
  - higher administrative expenses attributable to insurance operations due to increased personnel costs (impact of salary increases), higher IT costs due to the development of the IT area and building competencies in the area of system maintenance;
  - higher amortization of acquisition cash flow as a consequence of growing sales while commission expenses increased (impact of change in distribution of sales by channel).

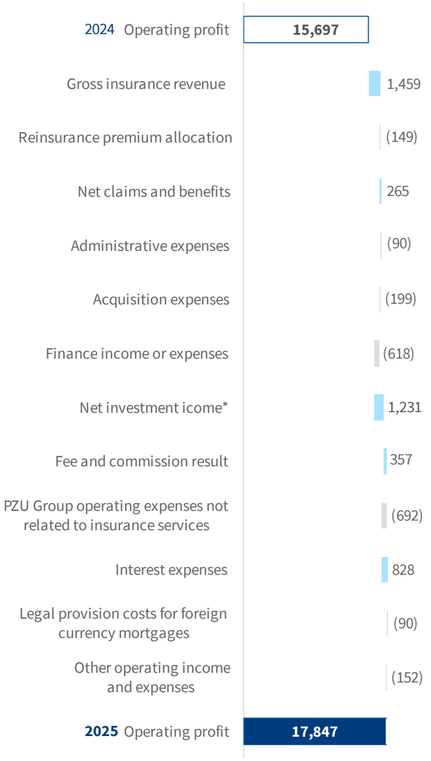
- 4.4% higher investment income, exclusive of interest expenses, and 10.3% higher income after factoring in the interest expenses[68] (increase from PLN 19,965 million to PLN 22,024 million). Growth pertained to both investment results from banking and non-banking activities. The increase in earnings from banking operations was, in particular, related to higher interest income resulting from growth at Bank Pekao and decline at Alior Bank. At Bank Pekao, interest income was shaped by higher loan volumes and stable interest margins, despite lower interest rates. At Alior Bank, there was a relatively limited decline in interest income, despite the 2025 interest rate cut. In addition, the y/y change in the banks' interest income was positively affected by the effect of recognizing moratorium period costs of PLN 153 million at Bank Pekao and PLN 62 million at Alior Bank in 2024. At the same time, an increase in investment income was posted in investment activity, net of banking activity.[69] It was higher than in 2024, mainly as a result of:
  - higher income from debt portfolios measured at fair value through other comprehensive income due to, i.a., the purchasing of high-yield instruments for the portfolio;
  - higher performance of equity instruments, in particular, due to favorable market conditions, stronger increases in the valuation of Private Equity funds as well as a gain from the sale of some of the stocks in the portfolio;
  - higher swap point income, in particular, in the field of commercial real estate.

  At the same time, the results generated in the investment activity on the asset portfolio that constitute investment insurance coverage was higher than in 2024, which has no impact on the PZU Group's total net result, as it is offset by the change in insurance financial income and expenses.

- an increase in commissions and fees to PLN 4,199 million in 2025, compared with PLN 3,842 million in 2024, mainly related to an increase in revenues from funds and investment fund companies, as a result of higher level of assets under management. There was also a higher result from brokerage commissions at banks, and an increase in margins on foreign currency transactions with customers;

- higher provision for legal risk related to foreign currency mortgages amounted to PLN 819 million versus PLN 729 million in 2024. in 2025 mainly due to an update of the expected financial impact of court judgments and a forecast of a future influx of lawsuits from borrowers;

Operating result of the PZU Group in 2025 (PLN million)



68) including: interest income calculated using the effective interest rate and equalized to them, other net investment income, result on derecognition of financial instruments and investments not measured at fair value through profit or loss, result from allowances for expected credit losses and net movement in fair value of assets and liabilities measured at fair value, interest. expense

69) Banking activity: data of Bank Pekao and Alior Bank

- an increase in Group's non-insurance operating expenses, from PLN 10,514 million in 2024 to PLN 11,206 million in 2025. The change was caused by the following factors:
  - higher costs of third-party services, including in particular on banking operations;
  - higher fees to the Bank Guarantee Fund by PLN 212 million, the total burden on banks in 2025 increased to PLN 491 million;
  - a decrease in the levy on financial institutions which totaled PLN 1,558 million in 2025 compared with PLN 1,566 million in 2024 (as a result of a change in the level of assets subject to taxation, not the tax rate);
- movement in the balance of other operating income and expenses – to PLN 891 million, compared with PLN 1,043 million in 2024. The change was mainly due to the creation of provisions for consumer protection issues at Bank Pekao in the amount of PLN 202 million. The increase in costs was partially offset by higher revenues from the sale of medical services.

Basic amounts of the consolidated profit and loss account	1 January – 31 December 2022 PLN million	1 January – 31 December 2023** PLN million	1 January – 31 December 2024 PLN million	1 January – 31 December 2025 PLN million
Insurance service result before reinsurance	3,600	4,122	4,307	5,925
Insurance revenue	24,745	26,868	29,423	30,882
Insurance service expenses	(21,145)	(22,746)	(25,116)	(24,957)
Net income or expenses from reinsurance contracts held	63	(103)	(792)	(1,124)
Reinsurance premium allocation	(1,126)	(1,514)	(1,882)	(2,031)
Amounts recoverable from reinsurers	1,189	1,411	1,090	907
Insurance service result	3,663	4,019	3,515	4,801
Insurance finance income or expenses	(408)	(1,786)	(1,565)	(2,023)
Finance income or expenses from reinsurance	30	38	140	(20)
Fee and commission result	3,687	3,786	3,842	4,199
Net investment result*	15,353	28,125	28,208	29,439
Operating costs of banks	(5,450)	n/a	n/a	n/a
PZU Group's non-insurance operating expenses	n/a	(9,701)	(10,514)	(11,206)
Legal risk costs of foreign currency mortgage loans	n/a	(369)	(729)	(819)
Interest expenses	(4,767)	(8,890)	(8,243)	(7,415)
Other operating income and expenses	(3,946)	913	1,043	891
Operating profit (loss)	**8,162**	**16,135**	**15,697**	**17,847**
Share of the net financial results of entities accounted for using the equity method	(25)	10	8	(5)
Gross profit (loss)	**8,137**	**16,145**	**15,705**	**17,842**
Income tax	(2,471)	(3,626)	(3,484)	(3,855)
Net profit (loss)	**5,666**	**12,519**	**12,221**	**13,987**
Net profit (loss) attributable to the equity holders of the parent company	**3,781**	**5,780**	**5,342**	**6,699**

*) including: interest income calculated using the effective interest rate and equalized to them, other net investment income, result on derecognition of financial instruments and investments not measured at fair value through profit or loss, result from allowances for expected credit losses and net movement in fair value of assets and liabilities measured at fair value.

**) Restated data.

6.2. PZU Group's revenues and costs

Insurance revenue

In 2025, the insurance revenue of PZU Group reached PLN 30,882 million, i.e., 5.0% more (PLN 1,459 million) than in 2024. The change in the level of insurance revenues was driven predominantly by:

- an increase of PLN 549 million (+4.2% y/y, to PLN 13,655 million) in insurance revenue in the mass non-life segment (after taking into account reinsurance premium allocations, an increase of PLN 552 million), including an increase in the amortization of liabilities for the remaining period of service (LRC) as a consequence of higher sales dynamics of non-motor insurance (mainly PZU Dom home insurance, which are connected with the new offer – broad coverage as standard, and PZU Firma insurance offered to small and medium-sized enterprises by better matching the offer to risk). The increase was also in motor insurance, and resulted from high premium growth in the second half of 2024 and the first half of 2025 (average premium growth responding to rising claims costs);
- an increase of PLN 483 million (+10.3% y/y, to PLN 5,187 million) of revenue in the corporate non-life insurance segment – including amortization of the liability for remaining coverage (LRC) (+ PLN 431 million) as a result of higher sales momentum in both motor insurance (growth in average premium and good current year sales, particularly leases) and non-motor insurance (impact of 2024 premium earning, including from a contract with a power generation customer, and strong sales in 2025, mainly in the strategic customer area). After reinsurance premium allocations, revenues increased by PLN 328 million.
- higher insurance revenue in the Baltics segment (gross revenue growth of PLN 193 million y/y, revenue growth after reinsurance premium allocation of PLN 195 million) as a result of higher sales in the non-life insurance and other life insurance, including non-life and health insurances (greater number of policies), and motor insurance to a lower extent in the Lithuanian market;
- an increase of PLN 126 million (+16.9% y/y to PLN 870 million) in insurance revenue in the individual protection insurance segment as a result of higher contractual margin releases, including in bancassurance and Type J and term insurance, and an increase in premiums written to cover expected claims and benefits as a consequence of growth in the insurance portfolio;
- higher insurance revenue in the group and individually continued life insurance segment (by + PLN 81 million y/y) as a result of a lower level of premiums needed to cover expected claims and benefits (- PLN 97 million) following the expected lower utilization of health insurance benefits, mainly outpatient and paramedical benefits, and a higher level of contractual service margin release in 2025 (+ PLN 167 million y/y) in all insurance groups.

PZU Group insurance revenues in 2025
(PLN million)

30,882



Commission and fee result

In 2025, the commission and fee result amounted to PLN 4,199 million, higher by PLN 357 million, i.e., 9.3%, compared to the previous year. The revenues included primarily:

- net revenues from commissions and fees in the banking activities of PLN 3,236 million, up PLN 188 million, (+6.2%), as compared to last year; mainly due to an increase in brokerage commissions and FX margin as well as lower costs of card and ATM transactions;
- revenue and fees from funds and mutual fund companies – amounting to PLN 750 million, higher by PLN 144 million (+23.8% y/y), including due to a higher level of assets under management;
- pension fund revenue – at PLN 209 million, higher by PLN 25 million (+13.6% y/y), mainly due to an increase in fund management fees through a higher average net value of assets;

Commissions and fees result in 2025
(PLN million)

4,199



Investment result and interest expense

In 2025, investment result including interest expense excluding Pekao Bank and Alior Bank amounted to PLN 3,646 million compared to PLN 2,659 million in the comparable period of the previous year.

The higher result on investment activities excluding banking activities was caused by, in particular:

- an increase in income from debt portfolios measured at fair value through other comprehensive income as a result of purchasing instruments at high yields in the market as well as actively increasing portfolio yields and last year's sale of historical tranches at lower yields and reinvestment of funds at higher yields;
- higher result from debt portfolios measured at fair value through profit and loss as a result of higher asset balances and achieving higher yields by taking advantage of favorable market trends;
- higher performance of equity instruments, in particular, due to favorable market conditions, stronger increases in the valuation of Private Equity funds as well as a gain from the sale of some of the stocks in the portfolio;
- higher swap point income, in particular, in the field of commercial real estate.

At the same time, the results generated in the investment activity on the asset portfolio that constitute investment insurance coverage was higher than in 2024, which has no impact on the PZU Group’s total net result, as it is offset by the change in insurance financial income and expenses;

PZU Group’s non-insurance operating expenses

The PZU Group's non-insurance operating expenses amounted to PLN 11,206 million in 2025, compared to PLN 10,514 million in 2024. The balance change was caused by the following factors:

- higher costs of third-party services, including mainly on banking activities, particularly within the cost of IT services;
- higher fees to the Bank Guarantee Fund by PLN 212 million, the total burden on banks in 2025 increased to PLN 491 million;
- lower charge of the levy on financial institutions (insurance and banking activities combined) from PLN 1,566 million in 2024 to PLN 1,558 million in 2025, due to lower charges on the banking activities resulting from the lower balance of taxable assets (the rate of the levy did not change).

Result on other operating income and expenses

In 2025, the balance of other operating income and expenses stood at PLN 891 million, compared to the balance of PLN 1,043 million in 2024. The balance change was caused by the following factors:

- higher costs due to the creation of provisions for consumer protection issues at Bank Pekao in the amount of PLN 202 million;
- an increase in revenue from the sale of medical services;
- release of impairment allowance in 2024 on assets arising from the acquisition of Alior Bank (i.e., trademark and relations with clients) of PLN 115 million.

Insurance service expenses (PZU Group)

Insurance service expenses amounted to PLN 24,957 million, i.e., decreased by PLN 159 million, i.e., by -0.6%, as compared to 2024. Expenses adjusted for the amounts recoverable from reinsurers increased by PLN 24 million, and this resulted from:

- a decrease in the net insurance service expenses by PLN 246 million in the mass non-life insurance segment, including:
  - lower net current year claims liabilities by PLN 145 million, mainly in non-motor insurance (there was an above-normal number of mass claims caused by weather events in 2024 – flooding in southwestern Poland in Q3 2024), and in motor insurance it resulted from lower claims cost in MTPL with deterioration in MOD insurance;
  - recognition of a loss component, mainly in the MTPL insurance portfolio, including on the inward reinsurance portfolio with PZU Group companies as a consequence of high claims inflation, though in an amount that does not exceed the amortization from the opening balance sheet. The total excess of depreciation over the creation of the loss component amounted to PLN 87 million (y/y segment change of + PLN 143 million);
  - higher y/y acquisition expenses (+ PLN 58 million y/y) mainly as a result of expanding the insurance portfolio and higher share of non-motor insurance in the portfolio;
- lower net insurance service expenses in the investment life insurance segment by PLN 95 million, including as a result of changes in partial redemption assumptions and expenses in the IKE product translating into a decrease in the loss component impacting the insurance service result of + PLN 43 million (+PLN 86 million y/y);
- net insurance service expenses lower by PLN 5 million in the corporate non-life insurance segment as a result of releasing higher net excess of prior years’ loss reserves over the current projected value and higher current year loss liabilities (in both non-motor and motor insurance) as well as higher amortization of acquisition costs;
- net insurance service expenses higher by PLN 71 million, including liabilities for current year claims, costs including amortization of insurance acquisition cash flows in the individual protection life insurance segment;
- claims and benefits with the development of the loss reserve higher by PLN 102 million from previous years

in the group and individually continued life insurance segments, as a result of continued high utilization of health insurance benefits as well as higher cost of claims in other group insurance (for instance, impact of expanding the portfolio), and higher amortization of acquisition costs;

- liabilities for the current year's claims in the Baltic countries segment higher by PLN 92 million as a result of an increase in the value of the portfolio and amortization of acquisition costs by PLN 43 million;
- higher administrative expenses attributable to insurance operations due to increased personnel costs (impact of salary increases), higher IT costs due to the development of the IT area and building competencies in the area of system maintenance.

Insurance finance income and expenses from PZU Group insurance

The insurance finance income or expenses in 2025 were - PLN 2,023 million, as compared to - PLN 1,565 million in 2024 (and together with the finance revenue and expenses on the reinsurance activities, respectively, - PLN 2,043 million and - PLN 1,425 million). The increase in expenses was influenced in particular by the increase in the value of investments at policyholder risk in the investment insurance segment and the effect of changes in interest rates on the effect of shortening the discount period.

Costs of legal risk of mortgage loans in foreign currencies

The cost of legal risk of mortgages in foreign currencies increased from PLN 729 million in 2024 to PLN 819 million in 2025 and the change in their balance was mainly related to Alior Bank. Additional costs were recognized in 2025 mainly due to an update of the expected financial impact of court judgments and a forecast of a future influx of lawsuits from borrowers.

Drivers and atypical events affecting the results

In 2025, the PZU Group's result was burdened by non-recurring effects related to banking activities:

- legal risk costs of foreign currency mortgage loans at Bank Pekao of PLN 664 million, and Alior Bank of PLN 155 million;
- recognition of provisions for consumer protection issues at Pekao of PLN 202 million;
- revaluation of the level of deferred tax assets and deferred tax liabilities at Bank Pekao and Alior Bank (due to an increase in income tax rates for the banks, which will be 30% in 2026, 26% in 2027 and 23% from 2028) with an impact on net income of PLN 179 million and PLN 95 million, respectively.

In 2024, the PZU Group's result was burdened by a non-recurring effect related to an above-normal number of mass damage caused by atmospheric events, mainly flooding, with a total impact on result from operating activities of - PLN 259 million.

Insurance segments (PLN million)	Insurance revenue			
	1 January – 31 December 2022	1 January – 31 December 2023	1 January – 31 December 2024	1 January – 31 December 2025
	PLN million	PLN million	PLN million	PLN million
TOTAL	**24,745**	**26,868**	**29,423**	**30,882**
Total Non-life insurance – Poland	14,429	16,067	17,810	18,842
Mass insurance – Poland	10,981	11,966	13,106	13,655
MTPL	4,139	4,303	4,558	4,578
MOD	2,866	3,308	3,685	3,726
Other products	3,976	4,355	4,863	5,351
Corporate insurance – Poland	3,448	4,101	4,704	5,187
MTPL	638	651	642	740
MOD	788	930	1,012	1,072
Other products	2,022	2,520	3,050	3,375
Total life insurance – Poland	7,986	8,092	8,688	8,892
Group and individually continued insurance – Poland	7,316	7,362	7,840	7,921
Individual insurance – Poland	581	637	744	870
Investment insurance – Poland	89	93	104	101
Total Non-life insurance – Ukraine and the Baltic Countries	2,238	2,629	2,852	3,076
Ukraine – non-life insurance	198	184	215	250
Baltic Countries – non-life insurance	2,040	2,445	2,637	2,826
Total life insurance – Ukraine and Baltic Countries	92	80	73	72
Ukraine – life insurance	50	36	27	22
Baltic Countries – life insurance	42	44	46	50

Moreover, in the same period, the PZU Business Group's result was burdened by non-recurring effects related to banking activities:

- legal risk costs of foreign currency mortgage loans at Bank Pekao of PLN 669 million;
- costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (so called "moratorium periods"), of PLN 153 million at Pekao Bank and PLN 62 million at Alior Bank;
- release of impairment loss on assets arising from the acquisition of Alior Bank (i.e., trademark and relations with clients) of PLN 115 million.

6.3. PZU Group’s asset and liability structure

As at 31 December 2025, the PZU Group’s total assets were PLN 535,483 million, up PLN 32,226 million compared to the end of 2024.

Assets

As at 31 December 2025, loan receivables from clients constituted 46.5% of the Group’s assets (versus 46.1% at the end of 2024). Their balance reached PLN 249,098 million. Compared to 2024, it increased by PLN 16,932 million, mainly due to an increase in business segment loans as well as mortgage loans for individual clients.

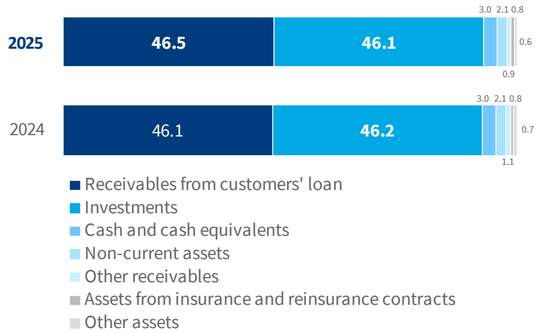
Deposits accounted for 46.1% of assets (versus 46.2% at the end of 2024). These include investment financial assets, investment real estate, derivatives, and assets pledged as collateral for liabilities. They totaled PLN 246,716 million, and were up by PLN 14,454 million as compared to the end of last year. The investment portfolio, excluding banks, increased due to inflow of premiums as a result of the growth in business, as well as the profit or loss on investments. The balances were also impacted by higher value of investment financial assets associated with banking activities, and was related to the higher value of the portfolio of debt securities.

Similarly to the end of 2024, 2.1% of assets were fixed assets in the form of intangible assets, goodwill and property, plant and equipment. They totaled PLN 11,228 million, and were up by PLN 435 million as compared to the end of 2024. This increase mostly pertained to property, plant and equipment.

Cash and cash equivalents amounted to 3.0% of assets both at the end of 2025 and 2024. Their value was PLN 16,233 million, and was PLN 1,106 million higher than in 2024. This was mainly determined by a growth in the cash balance in the central bank and in bank accounts at Alior Bank.

0.9% of assets (versus 1.0% at the end of 2024) represented the PZU Group’s receivables, including receivables under the current income tax. They totaled PLN 4,680 million, and were down PLN 584 million as compared to the end of 2024. The decrease arose primarily due to a lower balance of receivables from unsettled transactions on financial instruments and security deposits.

PZU Group’s asset structure (in %)



Assets held for sale constituted 0.1% of assets, similarly to the end of 2024. In 2025, their balance fell by PLN 10 million, to PLN 585 million. This mainly concerned the properties held for sale by real estate sector mutual funds since the expected investment horizon was reached.

Equity and liabilities

As at 31 December 2025, the PZU Group’s consolidated equity reached PLN 72,653 million, which was up PLN 7,396 million as compared to the end of 2024.

The value of the non-controlling interests increased by PLN 4,036 million to PLN 37,182 million. This results from:

- the result attributable to non-controlling shareholders of PLN 7,288 million (generated by Alior Bank and Bank Pekao),
- Pekao's dividend allocation of PLN 4,819 million and Alior Bank's of PLN 1,200 million (including a total of PLN 4,671 million for minority shareholders);
- an increase in the valuation of debt instruments measured at fair value through other comprehensive income.

Equity attributable to the parent company’s shareholders increased by PLN 3,360 million to PLN 35,471 million. This results from:

- an increase in the valuation of debt and hedging instruments measured at fair value through other comprehensive income;
- an increase in the net profit attributable to the parent company for 2025 in the amount of PLN 6,699 million;
- a negative effect of a change in discount rates for the valuation of insurance liabilities due to a decrease in the level of risk-free interest rates from the end of 2024;
- allocating PLN 3,860 million to dividend (distribution of PZU’s profit for 2024 of PLN 3,877 million, plus PLN 1,080 million transferred from the supplementary capital created from net profit for 2023).

As at 31 December 2025, 65.1% of the Group's liabilities consisted of deposit liabilities to clients. They amounted to PLN 348,642 million, and were by PLN 14,449 million higher as compared to the end of 2024. This was mainly due to an increase in current deposits at Bank Pekao and Alior Bank, offset in part by a decline in time deposits at Bank Pekao.

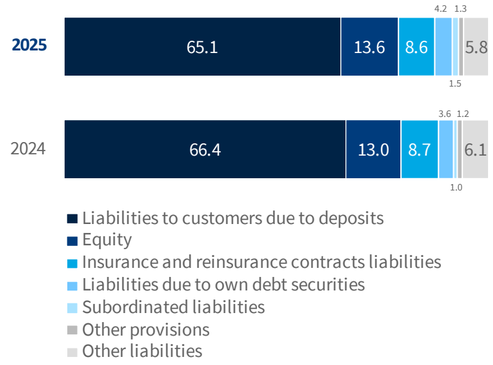
As at 30 June 2025, the PZU Group had liabilities arising from own debt securities totaling PLN 22,449 million, including:

- PLN 20,921 million on bonds issued by Bank Pekao and Alior Bank;
- PLN 53 million on certificates of deposit issued by Bank Pekao and Alior Bank;
- PLN 1,475 million on covered bonds issued by Bank Pekao.

Subordinated liabilities of the PZU Group as at 31 December 2025 reached PLN 7,951 million, up by PLN 2,852 million as compared to 2024.

The value of net insurance contract liabilities amounted to PLN 45,910 million as at the end of 2025, and accounted for 8.6% of total equity and liabilities. Compared to the liabilities as at 31 December 2024, they increased by PLN 2,233 million.

Structure of PZU Group's equity and liabilities (in %)



3.3% of equity and liabilities at year end 2025 was other liabilities in the amount of PLN 17,872 million. They were PLN 1,926 million higher than at the end of 2024. The change in the balance was mainly due to an increase in liabilities from transactions involving financial instruments and liabilities to participants in consolidated investment funds, as well as a decrease in liabilities from securities lending.

Cash flow statement

At the end of 2025, net cash flow was PLN 1,230 million, up by PLN 3,772 million compared to the previous year. This increase was recorded in particular in net cash flows from investment activity.

Material off-balance sheet line items

The value of contingent liabilities at the end of 2025 was PLN 94,701 million, that is PLN 8,007 million more year on year. The balance consisted primarily of the following items:

- PLN 5,875 million in contingent liabilities for renewable limits in settlement accounts and credit cards;
- PLN 60,421 million in liabilities from loans in tranches;
- PLN 12,135 million in liabilities in the form of awarded guarantees and sureties;
- PLN 11,265 million in factoring liabilities.

6.4. Contribution of segments to the consolidated result

The following industry segments were identified in order to facilitate management of the PZU Group:

- corporate insurance (non-life insurance) – a broad scope of property, TPL and motor insurance products customized to a client's needs, entailing individual underwriting, offered by PZU, and TUW PZUW;
- mass insurance (non-life insurance) – property, accident, TPL and motor insurance products offered to individual clients and entities in the small and medium enterprise sector by PZU and LINK4;
- group and individually continued protective insurance (life insurance) – group insurance products offered by PZU Życie to groups of employees and other formal groups (e.g. trade unions), under which persons with a legal relationship with the policyholder (e.g. employer, trade union) accede to the insurance product granted and individually continued insurance products under which the policyholder acquires the right to individual continuation during the group phase;
- individual protection insurance (life insurance) – insurance offered by PZU Życie to individual clients under which the insurance contract applies to a specific insured and this insured is subject to individual underwriting;
- life investment insurance – unit-linked insurance with significant insurance risk (investment agreements that are not investment contracts;
- investments – the segment includes investments of free funds, i.e. the surplus of the investment portfolio over the level allocated to pay insurance liabilities of PZU and PZU Życie and the operating result of TFI PZU;
- pension insurance – the segment includes income and expenses of PZU OFE pension funds;
- banking – a broad range of banking products offered to corporate and retail clients by Bank Pekao and Alior Bank;
- Baltic Countries – non-life insurance and life insurance products provided in the territories of Lithuania, Latvia and Estonia;
- Ukraine – non-life insurance and life insurance products provided in the territory of Ukraine;
- investment contracts – include PZU Życie products that do not transfer material insurance risk and do not satisfy the definition of insurance contract; these are some of the products with a guaranteed rate of return and in unit-linked form;
- other – consolidated companies that are not classified in any of the enumerated segments.

Corporate insurance

The profit in the corporate insurance segment in 2025 was PLN 1,075 million, meaning it was up by PLN 326 million (+43.5%) compared to 2024. The increase in operating activity is the result of an improvement in net insurance service result (+ PLN 333 million) and lower income from insurance financial income and expenses including investment income.

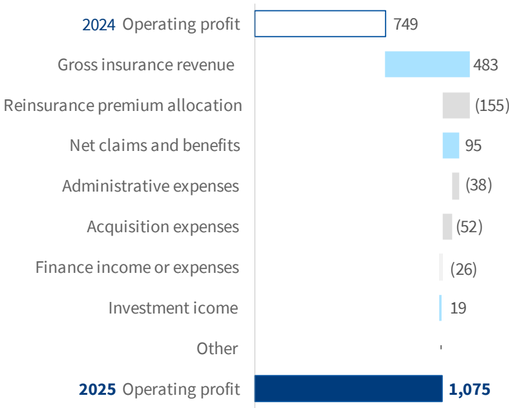
The operating result was driven mainly by:

- **an increase in insurance contract revenue** compared to 2024 by PLN 483 million, i.e.: +10.3% y/y (+ PLN 328 million y/y after reinsurance premium allocation). Within revenues, there was an increase in the amortization of liabilities (LRC) as a consequence of higher sales dynamics, both in non-motor and motor insurance. In motor insurance, the increase resulted from higher average premiums and strong sales in the current year, particularly in lease insurance (an increase of 8.3% y/y in new passenger car registrations in 2025). The increase in LRC amortization in non-motor insurance (+ PLN 140 million y/y after reinsurance premium allocation) resulted from the earning of premiums from 2024, including a contract with a client in the energy generation sector and high sales in 2025, mainly in the strategic customer area. Higher y/y premiums allocated to recovery of insurance acquisition (+PLN +52 million; +8.2%) are the result of portfolio growth and a change in the product mix;
- lower net insurance service expenses by PLN 5 million y/y (-0.2% y/y) which together with an increase in the net insurance contract revenue by 10,7% y/y resulted in the profitability measured by the combined ratio (COR) by 8.3 percentage points, to 76.7%.

A decrease in the net insurance service expenses is a product of:

- higher y/y claims and benefits of the current year (+ PLN 114 million y/y) resulting from deterioration in non-motor and motor insurance, mainly MOD – the impact of claims inflation, higher frequency of claims in motor insurance and high unit value claims (fire and mining),
- higher costs, both for amortization of acquisition and for administrative expenses attributable to insurance operations. The increase in

Operating profit in the corporate insurance segment (in PLN million)



administrative expenses is mainly the result of higher personnel costs (the impact of salary increases), IT costs due to the development of the IT area, and the building of competence in the area of systems maintenance;

- release of a higher y/y net excess of prior years' claims reserves over the current value of payouts;

- an increase of PLN 19 million (+5.2% y/y) in investment income over the last year is the result of the purchase to the portfolio of Polish government bonds measured at fair value through other comprehensive income with high market yield;

- insurance finance income or expenses (after reinsurance allocation) changed (increase of PLN 26 million y/y) and amounted to - PLN 102 million. The increase in expenses is the result of changes in the exchange rate and the timing of foreign currency reinsurance settlements.

The gross insurance service result (excluding the reinsurer's share) amounted to PLN 1,778 million, meaning growth by PLN 417 million y/y, largely resulting from higher insurance expenses year-on-year at levelized insurance service expenses. After taking into account the reinsurer's share, the net insurance service result reached PLN 792 million, up PLN 333 million from previous year of 2024.

Mass insurance

The operating profit in the mass insurance segment in 2025 was PLN 2,000 million, up by PLN 824 million or 70.1% compared to 2024. The higher profit was the result of an increase in net insurance service result (+ PLN 798 million), lower finance income or expenses under insurance (- PLN 2 million), and better performance on investments (+ PLN 28 million).

The profit was driven mainly by:

- **an increase in revenue** from insurance contracts compared to 2024 by PLN 549 million, i.e.: +4.2% y/y (+ PLN 552 million y/y after reinsurance premium allocation). The increase resulted from higher amortization of net liability for remaining coverage (LRC) as a consequence of higher sales dynamics, both in non-motor and motor insurance. The increase in non-motor insurance is a mainly higher level of LRC amortization as a consequence of developing PZU DOM home insurance, which is linked to the new release of the offer (broad coverage as standard), and PZU Firma insurance offered to small and medium-sized enterprises (thanks to better matching of the offer to risk). In motor insurance, both MTPL and MOD - Auto Casco revenue growth was driven by high premium growth in the second half of 2024 and the first half of 2025 (average premium growth responding to rising claims costs) with a deceleration in the second half of 2025. The higher level of insurance contract revenue is also triggered by a higher y/y level of premiums allocated to recovery of insurance acquisition cash flows (+2.0% y/y) as a consequence of growing sales and a simultaneous increase in commission costs – higher share in the portfolio of voluntary insurance by higher commission rates, and change in the mix of sales channels;

- **a lower level of net insurance service expenses** by PLN 246 million y/y (-2.0 % y/y) which together with an increase in the net insurance contract revenue by 4,3% y/y resulted in the profitability measured by the combined ratio (COR) decreasing by 5.7 percentage point. A decrease in the net insurance service expenses is a product of:

  - a decrease of PLN 145 million y/y in current year claims liabilities, mainly in non-motor insurance – in 2024 there was an above-normal number of mass claims caused by weather events (in particular, in Q3 2024 there was flooding in southwestern this Poland with a negative impact of more than PLN 225 million on the result). The lower level of claims year in motor insurance is the result of the lower cost of claims in MTPL with deterioration in MOD;

  - higher acquisition costs (+PLN 58 million y/y) mainly as a result of developing the insurance portfolio and an increase in the share of non-commercial insurance in the portfolio, and higher y/y administrative expenses attributable to insurance operations (+PLN 19 million y/y);

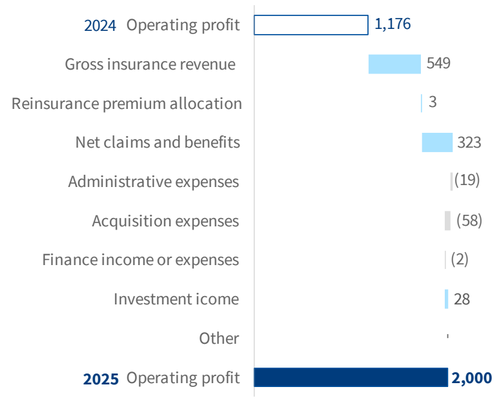
  - recognition of a loss component, mainly in the MTPL insurance portfolio (including on the inward reinsurance portfolio with PZU Group companies) as a consequence of high claims inflation, though in an amount that does not exceed the amortization from the opening balance sheet. The total excess of depreciation over the creation of the loss component amounted to PLN 87 million (y/y change of + PLN 143 million);

  - release of a higher by PLN 35 million y/y net excess of prior years' claims reserves over the current projected value of payouts;

- an increase of PLN 28 million (3.7% y/y) in investment income over the prior year is the result of the purchase to the portfolio of Polish government bonds measured at fair value through other comprehensive income with high market yield;

- insurance finance income or expenses (including reinsurance) were - PLN 326 million, which means an increase in expenses by PLN 2 million y/y.

Operating profit in the mass insurance segment (in PLN million)

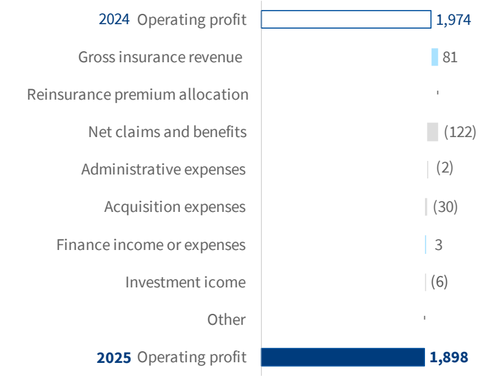


Group insurance and individually continued insurance

In 2025, the group and individually continued insurance segment achieved PLN 1,898 million in operating profit, a decrease of PLN 76 million, or 3.9%, compared to the same period last year. The result was driven mainly by:

- higher by PLN 81 million insurance contract revenues as a result of:
  - a lower level of premiums required to cover expected claims and benefits (- PLN 97 million y/y), due to assumed lower utilization in health insurance (in the corresponding period of 2024, the assumed realization of a post-covid increase in the frequency of benefits) and a better adjustment of mortality assumptions for the individual continuation portfolio with a shrinking portfolio; an increase in revenues to cover rising acquisition costs (+6.4% y/y) mainly due to portfolio growth and an increasing share of intermediary compensation;
  - higher contractual service margin release in 2025 (+ PLN 167 million y/y) in all insurance groups, including on the individually continued insurance portfolio (+ PLN 94 million y/y);
- an increase in net insurance service expenses by PLN 154 million y/y (2.5% y/y), which together with an increase in the net insurance contract revenue by 1,0% y/y resulted in the profitability measured by the ratio of insurance service result to insurance contract revenue decreasing by 1.1 percentage points. An increase in the insurance service expenses is a product of:
  - higher indemnities and benefits with the development of the loss reserve from previous years as a result of the continued high utilization of benefits from health insurance and the higher cost of claims in other group insurance (inter alia, impact of portfolio development);
  - changes in the value of the loss component with a positive impact on the result of + PLN 14 million (- PLN 20 million y/y), including the deceleration of the component creation in group protective and health insurance (the impact of the premium retariffication process with a still high level of benefit utilization);
  - higher administrative expenses (+ PLN 2 million y/y) as a consequence of higher salary costs, advertising, and IT costs due to the development of the IT area;
- a decrease of PLN 6 million (-0.7% y/y) in the result on investments compared to last year was due in particular to the negative impact of the valuation of shares in the medical segment offset by a higher result from debt portfolios against the purchase of instruments at favorable yields in the market;
- insurance finance income and expenses, which were - PLN 519 million, translating into an decrease in expenses by PLN 3 million y/y triggered, among other things, by interest rate increases.

Operating profit in the mass insurance segment (in PLN million)



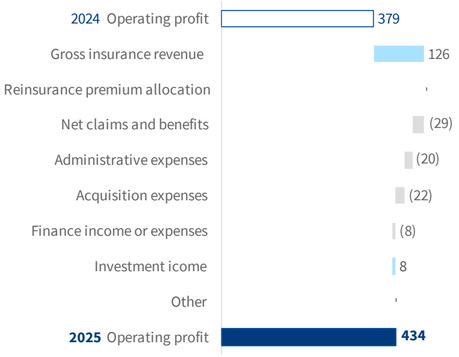
Individual insurance

In 2025, the individual insurance segment posted an operating profit of PLN 434 million, up PLN 55 million, or 14.5%, compared to the same period last year. This was almost only the result of a change in the insurance service result (+ PLN 55 million y/y), with a higher level of the investment income allocated to the segment (+ PLN 8 million y/y) and other finance expenses by PLN 8 million y/y.

The result was driven mainly by:

- higher insurance revenues (+ PLN 126 million y/y) resulting from:
  - higher y/y release of the contractual service margin, including in bancassurance (+ PLN 30 million y/y; among other things, impact of higher y/y sales of mortgage insurance in the year preceding the report year) and Type J and term insurance;
  - an increase in premiums allocated to recovery of insurance acquisition cash flows, expected costs, as well as expected claims and benefits, by a total of PLN 66 million y/y as a consequence of developing the insurance portfolio;
  - a decrease in other revenues by PLN 20 million y/y – there was a lower-than-expected level of cancellations of bancassurance contracts in 2024;
- an increase in net insurance service expenses by PLN 71 million y/y (+18.8% y/y), which together with an increase in the net insurance contract revenue by 16,9% y/y resulted in the profitability measured by the ratio of insurance service result to insurance contract revenue decreasing by 0.8 percentage points. An increase in the net insurance service expenses is mainly the result of:
  - higher administrative expenses as a result of higher personnel and IT expenses;
  - changes in the loss component with a - 7 million y/y impact on the result being the cumulative effect of the creation of a new loss component and amortization of the loss component for active cohorts from prior periods (mainly in J insurance) higher than in 2024 with a - PLN 2 million y/y impact on the change result;

Operating profit in the individual insurance segment (in PLN million)



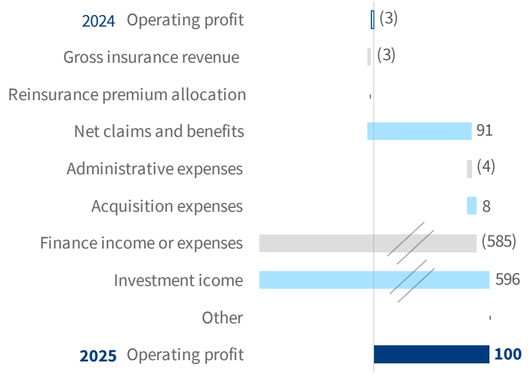
- the level of investment income was higher than in the previous year (by PLN 8 million, or +6.7% y/y) as a result of the increase in the level of assets to cover liabilities;
- insurance finance income or expenses (net of reinsurance) were PLN -115 million, which means an increase in expenses by PLN 8 million y/y.

Life investment insurance

In 2025, the investment life insurance segment achieved an operating profit of + PLN 100 million, a significant increase over the same period last year. The y/y change is the result of different product portfolio structure, including: an increase in sales of unit-linked life insurance with an insurance capital fund, high sales of life and endowment insurance with a guaranteed sum assured and higher fees charged to customers as a consequence of the higher value of unit-linked funds. The y/y change in the result is also the effect of a change in assumptions regarding partial redemptions and costs in the IKE product translating into a decrease in the loss component with an impact on the result of + PLN 43 million (+ PLN 86 million y/y).

The investment income was PLN 924 million, compared to PLN 328 million in the previous year (change of + PLN 596 million y/y), in particular, on the EPS and IKE products. However, the increase in the investment income had no effect on the PZU Group's total net profit, as it is offset by a change in the level of finance expenses on insurance activities.

Profit/loss in the life investment insurance operating activity segment (in PLN million)

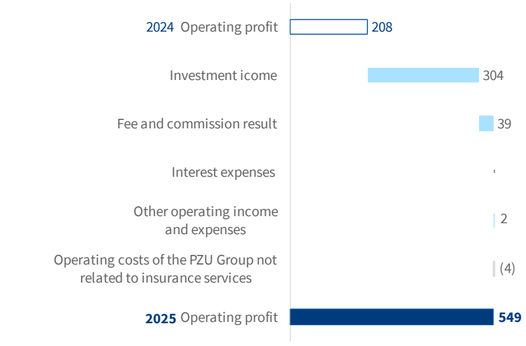


Investments

The operating result in the investment segment amounted to PLN 549 million in 2025, up by PLN 341 million y/y, particularly due to

- a higher result from investments in free funds by PLN 304 million y/y, including:
  - on the portfolio of debt instruments against last year's sale of historical tranches with lower yields and reinvestment of funds at higher yields;
  - equity instruments due to favorable market conditions;
  - commercial real estate due to higher swap point revenues;
- an increase in fee and commission income by PLN 39 million in the wake of rising assets under management at TFI PZU.

Operating result in the investment segment (in PLN million)



Banking segment / banking activity

The operating profit in the banking segment (without amortization of intangible assets acquired as part of the bank acquisition transactions), composed of the Bank Pekao and Alior Bank groups, amounted to PLN 11,911 million in 2025 and was higher by PLN 597 million than the year before.

Bank Pekao's contribution to the PZU Group's operating profit in the banking segment (net of the amortization of intangible assets acquired as part of the acquisition transaction) was PLN 8,966 million (+10.5% y/y), while Alior Bank's contribution was PLN 2,945 million (-7.9% y/y).

The y/y increase in Bank Pekao's result was mainly due to higher interest income and commissions and fees result. The y/y decline in Alior Bank's result is mainly due to an increase in operating costs and higher legal risk costs of foreign currency mortgages. The increase in costs was partially offset by an improvement in the quality of the loan portfolio, translating into a decrease in the allowance for expected credit losses, lower deposit financing costs and lower costs of the hedging policy used, i.e., the policy of hedging the bank's interest income.

The key element of the segment's income is the investment income, which amounted to PLN 25,484 million in 2025 (+1.0% y/y). Investment income consists of: interest income, dividend income, trading result and result on impairment losses. Investment income after factoring in interest expense amounted to PLN 18,221 million (+6.3% y/y).

In 2025, Bank Pekao saw a y/y increase in interest income, mainly driven by higher volumes, especially in

strategic product areas and a stable interest margin, with continued high liquidity and lower costs of deposits.

Alior Bank reported a relatively limited y/y decline in interest income despite the 2025 interest rate cut. Factors supporting the reduction in the decline in net interest income were an increase in the value of the net loan portfolio, as well as declining funding costs, both for current and time deposits in the retail and business segments. The 2024 results recognized costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods) in Bank Pekao and Alior Bank.

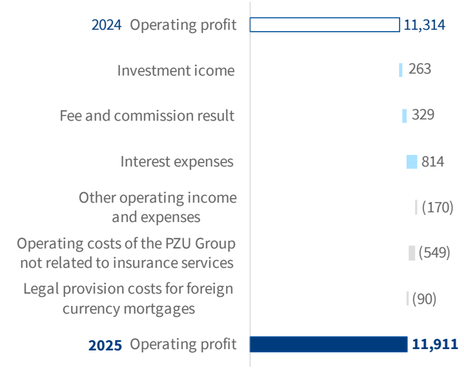
The total portfolio of loan receivables in both banks increased by PLN 16.9 billion (+7.3% y/y) in 2025 compared to 2024. Growing accounts receivable from business clients contributed the most to the growth.

The value of allowances for expected credit losses and impairment losses on financial instruments totaled PLN 809 million, and was lower by PLN 88 million y/y. In contrast, in Alior Bank, it totaled PLN 377 million and was PLN 93 million lower y/y, mainly due to the better quality of the loan portfolio.

Bank Pekao's profitability achieved at the end of 2025, as measured by the net interest margin ratio, was 4.2% and remained at the level recorded in 2024, excluding costs of recognition of the moratorium periods. The value of Alior Bank's net interest margin at the end of 2025 was 5.6%, down by 0.38 p.p. than in 2024.

The net fee and commission income the banking activity segment amounted to PLN 4,005 million and was 8.9% higher than in 2024. The main reasons for the improvement in commission income were increases in all business areas at Bank Pekao, which was driven by growing customer activity and a favourable situation on the capital markets, as well as an increase in commission income from Alior Bank's payment and credit card operations and higher commissions from brokerage activities.

Operating result in the banking segment (in PLN million)



In 2025, the PZU Group's non-insurance operating expenses in the banking segment totaled PLN 9,334 million and consisted of Bank Pekao's expenses of PLN 6,737 million (PLN 6,364 million in 2024) and Alior Bank's expenses of PLN 2,597 million (PLN 2,421 million in 2024). The 6.2% y/y increase in segment costs is mainly the result of an increase in third-party services and fees to the Bank Guarantee Fund (BFG) (+ PLN 212 million y/y, to PLN 491 million). At Bank Pekao, the increase in y/y non-insurance BFG Group operating expenses was mainly due to activities supporting business development and growing BFG fees caused by the reinstatement of contributions to the bank guarantee fund, which had not been collected over the past two years, as well as an increase in the volume of guaranteed deposits. The increase in Alior Bank's operating expenses was mainly due to higher BFG fees and rising IT costs. Tax on other financial institutions, which is one of the items of the PZU Group's non-insurance operating expenses, amounted to PLN 1,146 million (- PLN 31 million y/y) in 2025 in the segment.

The cost of legal risk of foreign currency mortgage loans in 2025 at Bank Pekao was determined at PLN 664 million (down by PLN 5 million y/y). The recognition of additional costs in 2025 resulted from an update of the expected financial impact of court judgments and a forecast of a future influx of lawsuits from borrowers. At Alior Bank, legal provision costs for foreign currency mortgages amounted to PLN 155 million (up by PLN 95 million y/y).

In addition, other operating income and expenses with a negative balance of - PLN 162 million in 2025 (compared to a positive balance of PLN 8 million in 2024), which was burdened by, among other things, the recognition of provisions for consumer protection issues at Bank Pekao in the amount of PLN 202 million and the establishment of provisions related to litigation concerning the sanction of free credit at Alior Bank, contributed to the result from operations. The Cost/Income ratio was 35.2% for both banks (34% for Bank Pekao and 38% for Alior Bank), or 0.9 percentage points more than in 2024.

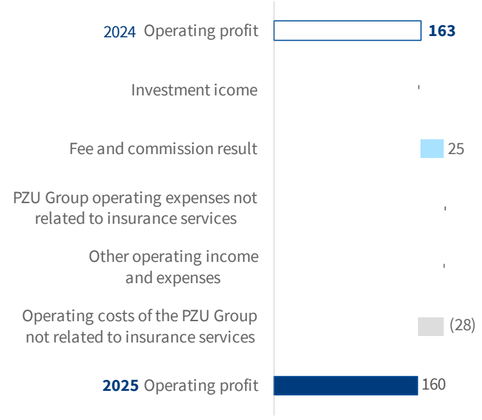
Pension insurance

The operating profit in the pension insurance segment amounted to PLN 160 million in 2025, or 1.8% less than in 2024.

Factors contributing to the operating result and its movement:

- an increase in fee and commission income by PLN 25 million to PLN 209 million in 2025, with this change resulting, in particular, from a PLN 28 million y/y increase in management fees following increasing level of assets under management;
- an increase in the PZU Group's non-insurance operating expenses by PLN 28 million to PLN 66 million in 2025, mainly due to a higher level of the surcharge on the Guarantee Fund of the National Depository for Securities by PLN 23 million y/y.

Operating profit in the pension insurance segment (in PLN m)



Baltic Countries

The operating result in the Baltic Countries in 2025 was PLN 453 million, an increase by PLN 69 million, or 18.0%, compared to 2024.

Compared to last year, there was an increase of PLN 193 million, or +7.2%, in insurance revenue, including allocated reinsurance premiums of PLN 195 million. Within revenues, there was an increase in the amortization of LRC as a consequence of a higher sales. Sales higher by PLN 161 million (i.e. +5.6%, or +7.3% in the functional currency) were generated in the non-life insurance due to, among other things, the increases in sales of the following:

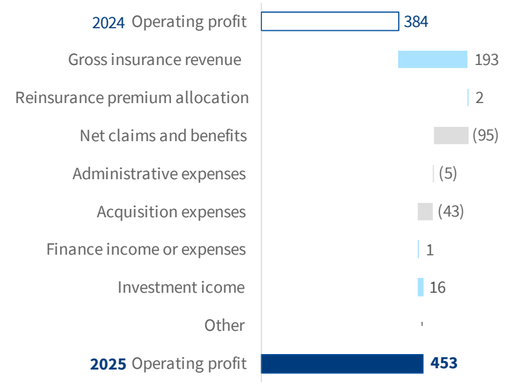
- property insurance (up 13.0% y/y in functional currency) as a result of an increase in the number of contracts;
- health insurance (by 15.5% in functional currency) as a result of an increase in the number of insurance policies;
- MTPL motor insurance (up 5.4% y/y in functional currency) as a result of portfolio growth in Lithuania;

Sales of life insurance products increased by PLN 8 million (i.e. by +7.5%, or +9.2% in functional currency).

The higher level of insurance contract revenue is also triggered by a higher y/y level of premiums allocated to recovery of insurance acquisition cash flows as a consequence of growing sales.

Insurance service expenses adjusted by amounts due from reinsurers increased by PLN 143 million y/y (+6.3%). The increase concerns the non-life insurance and, with an increase in the net revenues from insurance contracts by 7.5% y/y, represents a 1.1 p.p. improvement in profitability as measured by the combined ratio (COR). In the life insurance business, net insurance service expenses increased by PLN 6 million y/y.

Operating result in the Baltic Countries segment (in PLN million)



An increase in the net insurance service expenses of the segment is a product of:

- higher y/y claims and benefits liabilities due to the increase in the value of the portfolio;
- release of a higher y/y net excess of prior years' claims reserves over the current projected value of payouts;
- change of a loss component with an effect on the insurance service result - PLN 15 million y/y as a product of the recognition of a new loss component higher by PLN 10 million as compared to last year, and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of - PLN 5 million y/y;
- an increase of 1.8% y/y in administrative expenses, mainly due to higher personnel and IT costs. The segment's ratio of administrative expenses calculated to net insurance revenues increased by 0.6 p.p. to 10.2%;
- PLN 43 million higher amortization of acquisition cash flow. The acquisition expanse ratio was 18.5%, recording a 0.3 p.p. y/y increase.

The total net insurance finance income and expenses were - PLN 39 million, which means a change in expenses by + PLN 1 million y/y.

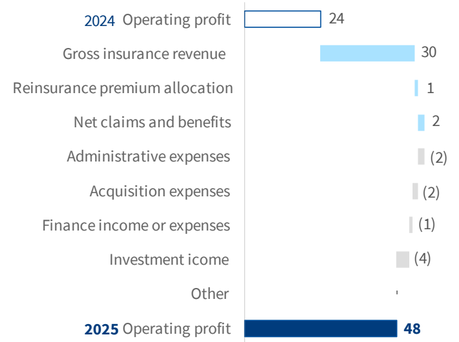
The increase in investment income compared to the previous year was, particularly, due an increase in income from dividends and floating rate instruments, as well as real estate rentals.

Ukraine

The Ukraine segment ended 2025 with an operating profit of PLN 48 million, meaning a PLN 24 million decrease compared to 2024. The results of both periods were affected by the analysis of the recoverability of assets held, carried out, among other things, as a result of the country's downgrade.

In 2025, there was an increase in insurance contract revenue compared to the previous year by PLN 30

Operating result in Ukraine segment (in PLN



million, i.e. +12.4% y/y (in functional currency, an increase of UAH 571 million, i.e. +23.4% y/y), with the inclusion of allocated reinsurance premiums – an increase of PLN 31 million. Revenues included an increase in amortization of LRC and an increase in the value of premiums allocated to recovery of insurance acquisition cash flows as a result of higher sales. Sales increased by PLN 80 million y/y, or 30.6% (UAH 1,157 million, or +43.8%, in functional currency). In non-life insurance, sales growth in functional currency amounted to UAH 1,143 million, or 50.8% mainly as a result of the growth in the MTPL portfolio (up 80.0%) by way of releasing insurance tariffs at the beginning of 2025, Green Card insurance (by 79.6%) and MOD insurance (by 25.7%). In life insurance, sales increased by UAH 14 million, i.e. 3.6% y/y.

Insurance service expenses adjusted by amounts due from reinsurers increased by PLN 2 million y/y, or +0.8% (in functional currency by +13.3%).

An increase in the net insurance service expenses of the segment results from:

- higher y/y claims and benefits liabilities;
- release of a lower y/y net excess of prior years' claims reserves over the current projected value of payouts;
- change of a loss component with an effect on the change of the insurance service result PLN +18 million y/y as a product of the recognition of a new loss component in an amount higher by PLN 22 million and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of - PLN 4 million y/y;
- a 3.9% y/y increase in administrative expenses (in functional currency, an increase of UAH 68 million, or 12.9% y/y), mainly due to higher salary costs and IT costs. At the same time, the segment's ratio of administrative expenses calculated to net insurance revenues increased by 1.7 p.p. as compared to the previous year and stood at 19.6%;
- a PLN 2 million, or 2.9%, higher y/y amortization of insurance acquisition cash flows (in functional currency, up UAH 86 million, or 12.2% y/y). The acquisition expense ratio dropped by 2.6 p.p. to 26.7%.

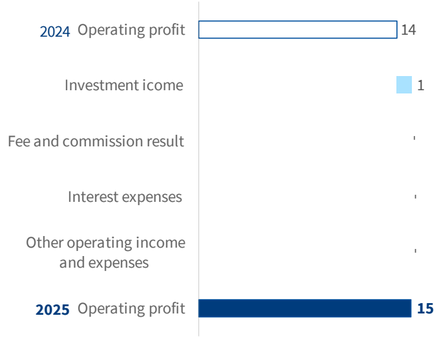
The result from investments stood at PLN 47 million, down by PLN 4 million y/y.

Investment contracts

The segment includes PZU Życie products that do not transfer any significant insurance risk within the meaning of IFRS 17 and that do not meet the definition of an insurance contract, including some products with a guaranteed return and unit-linked. These products are recognized in accordance with the requirements of IFRS 9.

The change in operating profit is a consequence of high sales of products with guaranteed sums insured, offered as investment contracts.

Operating result in the investment contracts segment (in PLN million)



Alternative Performance Measures

Selected Alternative Performance Measures (APM) within the meaning of European Securities and Markets Authority Guidelines (ESMA) no. 2015/1415 are presented below.

The profitability and operational efficiency indicators presented herein, constituting standard measures applied generally in financial analysis, provide, in the opinion of the Management Board, significant additional information about the PZU Group's financial performance. Their usefulness was analyzed in terms of information, delivered to the investors, regarding the Group's financial standing and financial performance.

Profitability indicators

To facilitate the analysis of PZU Group's profitability, such indicators were selected that best describe this profitability in the opinion of the Management Board.

Return on equity (ROE), adjusted return on equity (aROE) and return on assets (ROA) indicate the extent to which the Company is able to generate profit using its resources, i.e. equity or assets, and return on equity from core business (ROE from core business) indicates the ability to generate profit from core business i.e. excluding the banking sector.

Return on equity (ROE) is a measure of profitability. It permits an assessment of the degree to which the company multiplies the funds entrusted to it by the owners (investors). This is a ratio of the generated profit to the held equity, i.e. financial resources at the Group's disposal for an indefinite term which were contributed to the enterprise by its owners. In the case of the PZU Group, the value of net profit and equity differ considerably depending on whether they are provided excluding or including the profit/equity of minority shareholders. In this respect, both return on equity (ROE) – attributable to equity holders of the parent, and return on equity (ROE) – consolidated, without excluding profit and equity attributable to non-controlling shareholders, are presented. In addition, the PZU Group presents an adjusted return on equity (aROE), calculated on an equity basis excluding accumulated other comprehensive income relating to insurance and reinsurance financial income and expenses (being a cumulative effect of changes in discount rates for valuation of insurance liabilities on the PZU Group's capital), which provides greater stability to the indicator.

Return on assets (ROA) reflects their capability of generating profit. This indicator specifies the amount of net profit attributable to a unit of financing sources engaged in company's assets.

The return on equity and assets indicators belong to the most frequently applied indicators in the analysis of profitability of companies and groups regardless of the sector in which they operate.

Return on equity attributable to equity holders of the parent company of PZU Group for 2025 was 19.8% and the aROE ratio was 20.7%. The ratios were higher by 2.6 p.p. and 2.7 p.p., respectively, than those obtained in the previous year, as a result of an increase in the insurance service result, particularly in the mass and corporate non-life insurance segments, as a result of higher insurance revenues in both non-motor and motor insurance, while the net insurance service expenses declined, particularly in the mass property insurance segment. The values of the ratios were also positively influenced by higher investment results achieved both on non-banking activities and in the banking segment (higher interest income).

Return on equity from core business (ROE from core business) for 2025 reached 21.0%, increasing by 4.7 p.p. compared to 2024, driven by improved profitability in insurance operations – particularly in the mass non-life insurance segment – and a higher result from investment activity (excluding banks), mainly due to better performance of debt portfolios and increased income from equity instrument portfolios. Return on assets (ROA) of the PZU Group for 2025 was 2.7%, i.e. 0.2 p.p. higher than in 2024. Contributing to this were higher insurance service result, particularly in the mass and corporate non-life insurance segments as well as in the banking segment (growth in interest and commission income partially offset by higher operating expenses).

Basic performance indicators of the PZU Group	1 January – 31 December 2022	1 January – 31 December 2023*	1 January – 31 December 2024	1 January – 31 December 2025
Adjusted Return on Equity (aROE) – attributable to the parent company *(annualized net profit / average shareholders' equity excluding accumulated other comprehensive income relating to financial income and expenses from insurance and from reinsurance) x 100%*	16.3%	22.0%	18.0%	20.7%
Return on equity from core operations (ROE from core operations) – attributable to the parent company *(annualized net profit excluding banks / average equity excluding banks) x 100%*	n/a	n/a	16.3%	21.0%
Return on equity (ROE) – attributable to the parent company *(annualized net profit / average shareholders' equity) x 100%*	15.7%	20.6%	17.2%	19.8%
Return on equity (ROE) – consolidated *(annualized net profit / average shareholders' equity) x 100%*	12.1%	23.0%	19.4%	20.3%
Return on assets (ROA) *(annualized net profit / average assets) x 100%*	1.4%	2.8%	2.5%	2.7%

*Restated data.

Operational efficiency ratios

To facilitate the analysis of PZU Group's performance, such indicators were selected that best describe performance in the case of insurance companies and those pursuing banking activity in the opinion of the Management Board. Some indicators refer the costs of pursuit of insurance activity to revenue, hence reflect which portion of the revenue was allocated to costs and which portion – to margin. For the banking activity, the Cost/Income (C/I) ratio was selected as the relation which best reflects the performance of this area of the activity in the opinion of the Management Board. All indicators are widely applied by other companies from the corresponding sectors and by investors and serve an analysis of efficiency and profitability of these companies.

One of the fundamental measures of operational efficiency and performance of an insurance company is COR (Combined Ratio) calculated, due to its specific nature, for the non-life insurance sector (Section II). This is the ratio of insurance service expenses, including amounts recoverable from reinsurers to the net income on insurance activities; a decrease in the value of this indicator signifies an improvement in efficiency.

The combined ratio (for non-life insurance) of the PZU Group's has been maintained at a level ensuring high profitability of business.

	Operational efficiency ratios	1 January – 31 December 2022	1 January – 31 December 2023*	1 January – 31 December 2024	1 January – 31 December 2025
1.	**Index of administrative expense ratio of insurance segments** *(administrative expenses / net insurance revenue) x 100%*	8.5%	9.1%	9.0%	8.9%
2.	**Combined ratio in non-life and other personal insurance** *(net insurance service expenses / net insurance revenue) x 100%*	86.5%	86.0%	91.9%	86.3%
3.	**Margin from insurance operations in life insurance** *(operating profit / net insurance revenue) x 100%*	22.2%	24.4%	27.1%	27.5%
4.	**Cost/income ratio – banking activity**	39.9%**	32.6%	34.3%	35.2%

* Restated data.

** The ratio measured according to the previously used methodology as the quotient of administrative expenses and the sum of operating income, excluding: the BFG charge, the levy on other financial institutions and the movements in allowances for expected credit losses and impairment losses on financial instruments.

It stood at 86.3% in 2025, down 5.6 p.p. compared to 2024, mainly as a result of better profitability in both the mass and corporate insurance segments (a 5.7 p.p. and 8.3 p.p. decrease in the COR combined ratio, respectively) as a result of higher insurance revenue in both non-motor and motor insurance, while net insurance service costs declined in the mass non-life insurance segment in particular.

Another important indicator is the life insurance profit margin – the profitability of life insurance segments calculated as the ratio of operating profit/loss to net insurance revenues. The ratio reached 27.5% in 2025, and its increase of 0.4 p.p. compared to 2024 was due in particular to a higher operating result in the investment insurance segment as through a change in assumptions regarding partial redemptions and costs in the IKE product translating into a decrease in the loss component with an impact on the segment result of + PLN 43 million.

As regards banking activities, efficiency is measured by the cost/income ratio, i.e., the quotient of the PZU Group's non-insurance operating expenses excluding tax on other financial institutions and total operating income, which includes: interest income calculated using the effective interest rate and equalized, other net investment income, result on discontinued recognition of financial instruments and investments not measured at fair value through profit or loss, net change in fair value of assets and liabilities measured at fair value, interest expenses, and result on commissions and fees and other operating income and expenses. In 2025, the cost to income ratio in the PZU Group's banking business reached 35.2%, and was higher than in 2024 by 0.9 p.p. This was due to the rate of growth in costs surpassing that in income. The increase in costs was driven in particular by rising costs of third-party services and an increase in BFG costs due to the reinstatement of contributions to the banks' guarantee fund.

6.5. PZU's standalone results

In 2025, the issuer (PZU) recorded a technical result of PLN 1,640 million, compared to PLN 1,069 million in 2024, an increase by 53.4% (571 million y/y). Net profit was PLN 5,062 million, up 30.6% compared to PLN 3,877 million generated in the previous year. Disregarding the dividends received from PZU Życie, PZU's net profit was PLN 3,169 million, and was by PLN 974 million, i.e. 44.3 %, higher compared to 2024.

As regards the individual net result items, PZU recorded:

- an increase in gross written premium to PLN 18,095 million, or 1.9% (PLN 338 million), more than in the previous year. The higher level of premium is the product of:
  - an increase in sales of insurance of damage caused by natural forces, other property damage and third-party liability (mainly PZU DOM, PZU Firma insurance and the acquisition of several large contracts in reinsurance with TUW PZUW);
  - a decrease in premiums in motor insurance, both MTPL and MOD. After the reinsurers' share and change in the provision for unearned premiums, net earned premium was PLN 16,130 million and was 6.7% higher than in 2024;
- higher level of claims and benefits – amounting to PLN 9,951 million, which means an increase by PLN 108 million, i.e., 1.1% compared to 2024. Significant increases in the level of claims and benefits were recorded in the MOD insurance group and the provision of assistance. The increase was partially offset by a decrease in claims and benefits in the fire and other property damage insurance group (the effect of the occurrence in 2024 of numerous mass damages caused by natural perils – heavy rainfall, inundation and flooding);
- an increase in the result from investment activities[70] to PLN 4,566 million (by 21.4% y/y). The increase was mainly due to higher results from derivatives hedging the Private Equity portfolio (with the hedged assets recognized by the change in revaluation reserve) and the purchase of debt instruments for the portfolio at favorable yields in the market as well as higher dividends from PZU Życie and Alior Bank;
- higher by PLN 176 million, or 5.3%, compared to 2024, including acquisition expense, including reinsurance commissions, as a consequence of the growing insurance portfolio and different insurance portfolio structure and change in the mix of sales channels;
- a 4.5% increase in administrative expenses, from PLN 973 million in 2024 to PLN 1,017 million in 2025. Increase mainly as a consequence of higher personnel costs (impact of employee salary increases as a result of the increase in the minimum wage in the economy from January 2025). The increase was also driven by higher IT costs (the effect of ongoing projects), marketing and sponsorship costs (a larger scale of campaign activities than last year), as well as the implementation of consulting services and the indexation of rents and postage;

70) investing activities include investment income, unrealized gains on investments, costs of investing activities, unrealized losses on investments and share in net profit (loss) of subsidiaries measured by equity method.

In 2025, PZU collected **gross premium** of PLN 18,095 million (PLN 16,422 on direct business), i.e., 1.9% more than in 2024. The premium comprised mainly:

- MTPL insurance premiums, accounting for 29.1% of PZU's insurance portfolio (30.0% in the prior year, i.e., a decrease of the share by -0.9 percentage point y/y). A 0.9 p.p. y/y decrease of share in the portfolio with a simultaneous decrease in premiums by PLN 63 million to PLN 5,262 million is the result of an increase in average premiums following an increase in the cost of claims and a decrease in the number of insurances (the effect of continued strong price pressure from competitors);
- the MOD motor insurance premiums accounted for 24.8% of PZU's total gross premiums written, a 0.9 percentage point decrease in share compared to the previous year. In the period under review, gross premiums written in the Auto Casco group decreased by 1.7% (PLN 79 million) y/y. The decline was primarily a consequence of the drop in average premiums;
- premiums on insurance against fire and property damage accounting for 25.6% of PZU's premium portfolio. Compared to 2024, their share in the insurance portfolio increased by 0.6 p.p., while their written value was up 4.3%. Premium growth was driven by higher sales of home insurance and PZU Firma, among other factors;

PZU gross premium in 2025 (PLN million)

18,095



- premiums from other liability insurance accounting for 7.4% of the PZU's insurance portfolio. The premiums were 10.0% higher y/y and their share in the portfolio increased by 0.5 percentage points. This resulted from the growth of the TPL portfolio offered with PZU Firma and PZU DOM, as well as medical and general TPL;
- other insurance premiums, which accounted for 13.1% of the portfolio, up 0.7 p.p. compared to 2024. The increase in premiums is the result of higher sales of assistance benefit insurance (mainly PZU Auto Pomoc, PZU Auto Szyba and travel insurance – PZU Wojażer). In addition, there was an increase in sales of business insurance, providing protection against financial losses. This increase was partially offset by a decline in premiums written in the accident insurance group.

The main contributors to the increase in 2025 earnings from **investment activities** were higher dividends from PZU Życie and an increase in earnings from debt securities as a result of the purchase of Polish government bonds for the portfolio at high yields in the market. The performance of subordinated companies also increased. The impact of the above factors was partially offset by higher costs of investment activities.

In 2025, net **claims and benefits**, with the change in PZU's provisions, totaled PLN 9,951 million, i.e. 1.1% more than in 2024. The most significant factors that contributed to the change in the net value of claims and benefits were as follows:

- increased claims and benefits in the group of motor MOD insurance. The change in the level of claims and benefits is mainly a consequence of an increase in the average payout with a leveled frequency of events;
- a higher level of claims in the assistance benefits insurance group, particularly under the PZU Auto Pomoc, PZU Auto Szyba and PZU Wojażer travel insurance products (including, the impact of portfolio development);
- an increase in the value of claims and benefits in the general liability insurance group, as a result of, among other things, a decline in third-party liability insurance under PZU Firma and an increase in claims in medical liability (an increase in the provision for unreported claims for the event years 2005–2021 due to the observed unfavorable development of claims – long delays in reporting resulting from, among other things, court cases);
- decrease in claims in fire and other property damage insurance, mainly as a result of a lower number of claims of a mass nature caused by atmospheric events than in 2024 (flooding in Q3 2024 in southwestern Poland with a negative impact of more than PLN 250 million).

Acquisition expenses (including reinsurance commissions) amounted to PLN 3,513 million in 2025, increasing by 5.3% in comparison to 2024, which along with an 6.7% increase in net earned premium y/y translated into improvement of the acquisition expense ratio by 0.3 p.p. The dynamics of the acquisition expense ratio was driven by the modification in the product mix, among other factors.

In 2025, **administrative expenses** reached PLN 1,017 million, i.e., 4.5% higher than in the previous year, which alongside the increase in net earned premium by 6.7% y/y translates into a worse administrative expense ratio, by 0.1 p.p. The increase in the value of administrative expenses is primarily the result of higher personnel costs, including the impact of employee salary increases as a result of the increase in the minimum wage in the economy from January 2025. The increase was also driven by higher IT costs (the effect of ongoing projects), marketing and sponsorship costs (a larger scale of campaign activities than last year), as well as the implementation of consulting services and the indexation of rents and postage.

The balance of other **technical income and expenses** in 2025 remained negative and stood at PLN 248 million. The 37.2% growth of the expenses over 2024 is an outcome of a significantly lower level of policyholder impairment allowances for receivables, together with higher levels of contributions to organizations and mandatory fees, and a higher level of allowance to the prevention fund.

The balance of other **operating income and expenses** also remained negative. It amounted to - PLN 430 million and improved by 6.2% (by PLN 25 million) compared to 2024. The y/y change is the result of an increase in costs related to the tax on certain financial institutions (tax under assets + PLN 15.9 million y/y) and due to higher donation payments (+ PLN 13 million y/y).

At the end of 2024, PZU's **balance sheet total** was PLN 60,915 million and was 8.6% higher compared to the previous year.

The main component of PZU's assets were **deposits** which stood at PLN 53,799 million (up 9.3% compared to the end of 2024), which accounted for 88.3% of PZU's total balance sheet value, compared to 87.8% as at the end of the previous year. The level of deposits, excluding deposits in subsidiaries, increased due to the achieved investment performance and the net inflow of funds from operations, partially offset by the payment of dividends.

As at the end of 2025, PZU's **receivables** stood at PLN 3,184 million, and accounted for 5.2% of assets, whereas the year before they amounted to PLN 3,124 million (5.6% of assets). The increase in value is the result of higher reinsurance receivables (+ PLN 91 million y/y) mainly due to an increase in current receivables from retrocessionaires. The increase was offset by a decrease on the direct insurance receivables line (- PLN 49 million y/y net of impairment charges)

Fixed assets, in the form of intangible assets, goodwill and property, plant and equipment were disclosed in the balance sheet at PLN 501 million (+ PLN 41 million y/y). They accounted for 0.8% of assets (similar to the previous year).

Basic performance indicators of PZU	2021	2022	2023	2024	2025
Return on equity (ROE) *(annualized net profit / average equity) x 100%*	12.1%	10.4%	21.7%	17.8%	20.6%
Return on assets (ROA) *(annualized net profit / average assets) x 100%*	4.6%	3.6%	8.1%	7.1%	8.7%

As at the end of 2025, PZU held **cash** of PLN 171 million (0.3% of assets). The year before, the corresponding value was PLN 194 million.

At the end of 2025, **technical provisions** were the main component of PZU's equity and liabilities. They reached the value of PLN 27,032 million (net), which accounted for 44.4% of equity and liabilities. Their share of the balance sheet fell by -2.7 p.p. compared to 2024, while in value terms they increased by PLN 640 million, due in particular to:

- provisions for unpaid claims and benefits, mainly in the general liability, marine, aviation and transportation insurance group, and in the accident insurance group, with a decrease in the reinsurer's share of the provision for unpaid claims by - PLN 486 million compared to last year;
- a higher level of premium reserve (an increase of PLN 226 million after taking into account the reinsurer's share compared to the end of December 2024) mainly in fire and other property damage and general liability insurance. Effect partially offset by a decline in premium reserves (net of reinsurer's share) in motor insurance, both MTPL and MOD.

As at the end of 2025, **shareholders' equity** was PLN 26,442 million and accounted for 43.4% of equity and liabilities, up 2.9 p.p. compared to the end of 2024.

Contingent receivables amounted to PLN 4,131 million, i.e. increased by PLN 131 million (+3.3%) in comparison to the previous year. These comprised of, among other things, guarantees and sureties received and other contingent receivables comprising mainly collateral received in the form of mortgages on the debtor's assets and other contingent receivables.

	Operational efficiency ratios	2021	2022	2023	2024	2025
1.	**Gross claims and benefits ratio (simple)** *(gross claims and benefits / gross written premium) x 100%*	57.2%	62.6%	59.3%	61.4%	56.7%
2.	**Claims and benefits ratio** *(net claims and benefits / net earned premium) x 100%*	61.7%	61.9%	60.5%	65.1%	61.7%
3.	**Insurance activity expense ratio** *(insurance business expense / net earned premium) x 100%*	27.3%	28.0%	29.4%	28.5%	28.1%
4.	**Acquisition expense ratio*** *(acquisition expenses / net earned premium) x 100%*	21.3%	22.1%	22.8%	22.1%	21.8%
5.	**Administrative expense ratio** *(administrative expenses / net earned premium) x 100%*	6.1%	5.9%	6.5%	6.4%	6.3%
6.	**Combined ratio in non-life and other personal insurance** *(net claims and benefits + insurance business expenses / net earned premium) x 100%*	89.1%	89.9%	89.9%	93.6%	89.8%

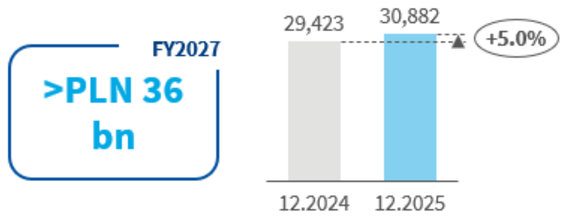
*) including reinsurance commissions

The balance of **contingent liabilities** was PLN 1,365 million, which represents a growth by PLN 57 million (4.4% y/y) in comparison to 2024. This is the result of an increase in disputed claims, not recognized by the insurer referred by creditors to litigation and higher other contingent liabilities due to undisbursed loan tranches.

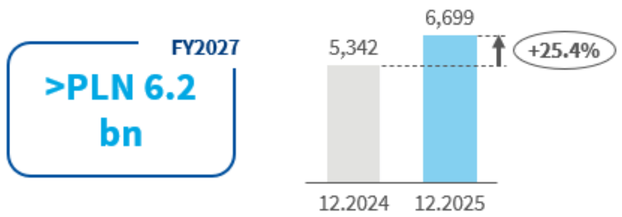
In 2025, PZU generated a **return on equity (ROE)** of 20.6%, up 2.8 p.p. compared to 2024. In 2021–2025, the average return on equity (ROE) was 16.5%.

6.6. Impact of PZU Group strategy implementation on 2025 results

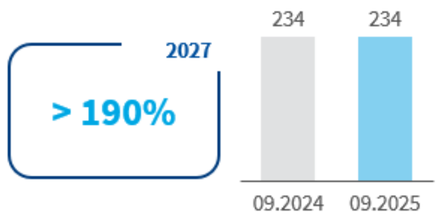
Gross insurance revenue[1] (PLN m)



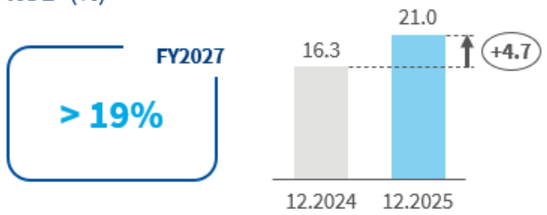
PZU Group net profit[2] (PLN m)



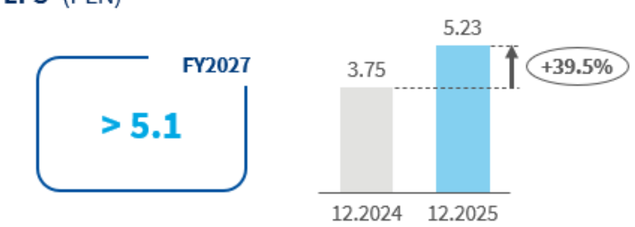
Solvency II ratio (%)[7]



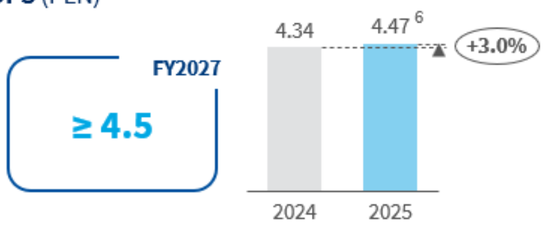
ROE[3] (%)



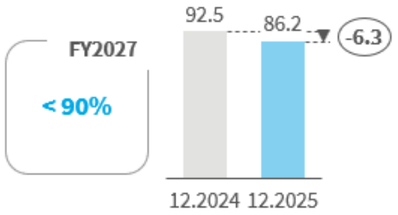
EPS[3] (PLN)



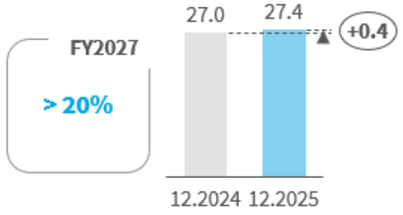
DPS (PLN)



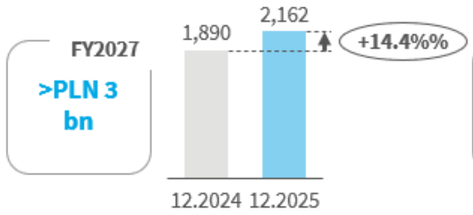
COR[4] (%)



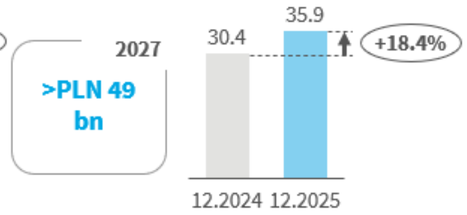
Margin[5] (%)



Health Pillar revenue (PLN m)



Assets of external clients of TFI PZU (PLN bn)



1. Gross insurance revenues of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Core business, excluding banks
4. Combined ratio (COR) in non-life insurance in Poland
5. Life insurance operating margin in Poland
6. Dividend paid in 2025
7. Data for 3Q24 and 3Q25 are presented according to the methodology where own funds are reduced by 80% of the interim consolidated result of the PZU Group attributable to PZU shareholders. From 1Q25 onwards, in connection with EIOPA Position 25/135 (Supervisory Statement of Deduction of Forseeable Dividends from Own Funds under Solvency II) of January 2025, there will be no differences in projected dividends between the interim data reported to the Supervisory Authority and the data contained in investor presentations in interim periods.

The implementation of the PZU Group's strategy significantly translated into improved financial and operational performance in 2025, strengthening the ability to achieve the 2025–2027 targets. The Group increased the scale of its operations while maintaining cost discipline and a strong capital position.

Central to the strategy's impact on the 2025 results was **an increase in insurance revenue while improving profitability**. Gross insurance revenue increased from PLN 29,423 million to 30,882 million, reflecting the effectiveness of pricing, underwriting, product and distribution initiatives. At the same time, net profit attributable to shareholders of the parent company increased from PLN 5,342 million to PLN 6,699 million. Supporting the growing profitability were, among other things, activities in the area of back-office process automation and the use of AI in claims settlement and tariffs.

At the level of technical profitability, **the effect of optimization measures on the cost and product side was evident**, affecting, among other things, the COR ratio. Poland's COR rate improved from 92.5% to 86.2%, thanks to improvements in tariffs, strengthened claims competence and more efficient risk portfolio management. The improvement is part of the strategic goal of keeping COR below 90%.

The life insurance operating margin in Poland reached a very high level of 27.4%, which was possible thanks to the increasingly effective optimization of the offer for target groups and measures to improve the efficiency of sales channels. This direction remains consistent with an operating margin target of >20% and a focus on protective products.

The growth of digital channels and data analytics translated into higher activity and monetization of the customer base. In mojePZU, key service and sales paths were strengthened, which supported written growth in sales channels. As at the end of 2025, the number of platform users was 5.8 million. With the launch of the mojaFirma.pzu.pl digital platform, the time to prepare offers for corporate clients has been reduced. Strategic measures to strengthen the PZU Group's position in the bancassurance market and the development of the product offering in life insurance also contributed to the increase in revenues.

In the Health pillar, activities continued to increase scale and profitability in line with the strategy. Revenues in this area increased from approx. PLN 1,890 million to about PLN 2,162 million thanks to consistent expansion of the network (including the purchase of the Humana Medica OMEDA clinic in Białystok) and development of the offer. The use of in-house outlets and improved integration with partners also grew, supporting margin and cross-sell potential.

The effects of the strategy can be seen in improved return on capital and rising earnings per share. ROE from the core business increased from 16.3% to 21.0%, and EPS increased from PLN 3.75 to PLN 5.23, reflecting better monetization of scale and portfolio quality, as well as higher operating efficiency. The dividend payment policy remained stable, with the DPS increasing from PLN 4.34 to PLN 4.47.

2025 brought measurable results from the implementation of the strategy: higher revenue scale with improved profits, a significant improvement in COR to 86.2%, an increase in ROE of the core business to 21.0%, and a further increase in EPS to PLN 5.23 with a stable DPS of PLN 4.47. The Group remains on track to meet its 2027 goals.

An important strategic element in ordering the structure of banking assets in the PZU Group, was the capital reorganization initiated. It aims to optimize the companies' potential and strengthen their position in the financial market. It will be important for the PZU Group's future performance.

The process was initiated with the signing of a letter of intent with Bank Pekao in December 2024, and further developed in 2025 based on a memorandum of cooperation concluded on 2 June 2025. The document laid out the framework for the future transformation, assuming that the identity and autonomy of the two brands would be preserved and that a single, stronger listed banking and insurance group would eventually operate. The next step was the signing of the Term Sheet on 26 June 2025, which detailed the principles of cooperation, led to the establishment of a Steering Committee and working groups, and set a timetable for further activities, including how to prepare the parity of share exchanges. In December 2025, the PZU Group agreed on an amendment extending the expected completion date of the transaction to the end of 2027, taking into account the need for necessary legislative changes and regulatory approvals.

6.7. Dividend

6.7.1. Capital and Dividend Policy

The PZU Group's Capital and Dividend Policy for 2025–2027 was in force in 2025.

In keeping with the Policy, PZU Group endeavors to:

1) manage capital effectively by optimizing the usage of capital from the Group's perspective;

2) maximize the rate of return on equity for the parent company's shareholders, in particular, by maintaining the level of security and retaining capital resources for strategic growth objectives through the organic growth and acquisitions;

3) ensure sufficient financial means to cover the Group's liabilities to its clients.

The capital management policy rests on the following principles:

1) manage the PZU Group's capital (including excess capital) at the level of PZU;

2) maintain target solvency ratios of 200% for the PZU Group, 200% for PZU SA and 200% for PZU Życie SA (according to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, hereinafter referred to as the "Solvency II Directive") in the period until the date of entry into force of the amendments to the Solvency II Directive and at the level of 180% for the PZU Group, 200% for PZU SA and 200% for PZU Życie SA in the period after the entry into force of the amendments to the Solvency II Directive;

3) maintain the PZU Group's financial leverage ratio at a level no higher than 25%;

4) ensure funds for growth and acquisitions;

5) maintain the financial conglomerate's surplus own funds above the pertinent requirements for solvency;

6) PZU will not issue any new shares for the duration of this Policy;

7) it is assumed that certain temporary deviations in the actual solvency ratio above or below the target level may occasionally occur.

The PZU and PZU Group's Dividend Policy is based on the following principles:

Capital and dividend policy for

2025–2027

The Capital and Dividend Policy for 2025–2027 takes into account changes to Solvency II regulations entering into force as of 2027. In order to maintain capital stability to pay put dividends, the Solvency II target ratio is amended for the PZU Group and set at 180% (it is unamended for PZU SA and PZU Życie) – as of the date the Solvency II amendments come into force. Until then, target solvency ratios of 200% for the PZU Group, 200% for PZU SA and 200% for PZU Życie SA will be maintained.

1) The PZU Group endeavors to manage capital effectively and maximize the rate of return on equity for the parent company's shareholders, in particular by maintaining the level of security and retaining capital resources for strategic growth objectives through acquisitions;

2) the amount of dividends proposed by the Management Board of the parent company, payable by PZU SA for a given fiscal year, is determined on the basis of the consolidated financial result of the PZU Group attributable to the owners of the parent company, whereby: (a) no more than 20% shall augment retained earnings (reserve capital) for purposes of organic growth and innovation and implementation of growth initiatives; (b) no less than 50% shall be paid as an annual dividend; (c) the remainder shall be paid as an annual dividend or augment retained earnings (reserve capital) in the event that significant expenditures are made in connection with the implementation of the PZU Group's Strategy, including, in particular, M&A transactions; subject to points 3 and 4;

3) according to the Management Board's plans and risk and solvency self-assessment of the parent company, the own funds of the parent company and the PZU Group following the declaration of payment or payment of a dividend will remain at a level that will ensure fulfillment of the conditions specified in the capital policy;

4) the dividend determination takes into account the recommendations of the supervisory authority on dividends for all PZU Group companies.

6.7.2. Disbursement of dividends

16 October 2025 – payment of more than PLN 3.8 billion in dividends, or PLN 4.47 per share.

A detailed sequence of key related events is presented below.

December 10, 2024 – the recommendation of the Polish Financial Supervision Authority (KNF) for dividend payment in 2025

The KNF's recommendation on the dividend policy of insurance and reinsurance companies allowed insurance companies to:

1) pay out a dividend of up to 100% of the profit generated in 2023 (including dividends paid to date from 2023 profit);

2) pay out a dividend of up to 100% of the profit generated in 2024,

provided that the criteria set by KNF have been fulfilled.

These criteria include a Supervisory Review and Evaluation Process (SREP) (i.e. risk assessment) and the coverage of a specific capital requirement on a standalone (unconsolidated) basis. Moreover, a company intending to disburse a dividend must not have experienced a situation involving a shortage of own funds to cover the capital requirement in any quarter and must not be covered by a short-term financial plan or remedial plan.

The KNF Board also noted that when deciding on the level of dividends insurance companies should take into account their additional capital needs within the period of 12 months from the approval of the 2024 financial statements.

6 May 2025 (RB 16/2025) – Motion of the PZU Management Board regarding the distribution of the profit generated in 2023 and the amount transferred from the supplementary capital created from the profit generated in 2023

In connection with the aforementioned recommendation of the KNF, the PZU SA Management Board recommended distribution of the profit generated in 2024 (and the amount transferred from the supplementary capital created from the profit generated in 2023). The proposed dividend amount was over PLN 3.8 billion, i.e., PLN 4.47 per share.

26 May 2025 (RB 20/2025) – the Supervisory Board positively evaluated the Management Board's proposal of 6 May 2025.

25 June 2025 (RB 28/2025) – Ordinary Shareholder Meeting's resolution on the distribution of PZU's net profit

The Ordinary Shareholder Meeting of PZU adopted a resolution on distribution of PZU's net profit, in which it decided to distribute the profit generated in 2024 increased by the amount transferred from the supplementary capital created from the profit generated in 2023. The amount of over PLN 3.8 billion was designated for the dividend payment. The dividend record date was set for September 25, 2025 and the dividend payout date was set for October 16, 2025.

6.7.3. KNF's stance on the Dividend Policy in 2026[71]

On 17 December 2025, KNF adopted a position on the dividend policy of insurance companies, reinsurance companies, and insurance-and-reinsurance companies in 2026.

It permitted a dividend to be paid out only by the companies that meet all of the following criteria for distributions from the 2024 and 2025 profits:

1) They have received a good or satisfactory SREP risk score for 2024;

2) In the various quarters of 2025 they reported no shortage of own funds to cover the capital requirement (defined as the maximum of the minimum capital requirement (MCR) and the solvency capital requirement (SCR));

3) In 2025 they were not covered by a short-term financial plan or the remedial plan.

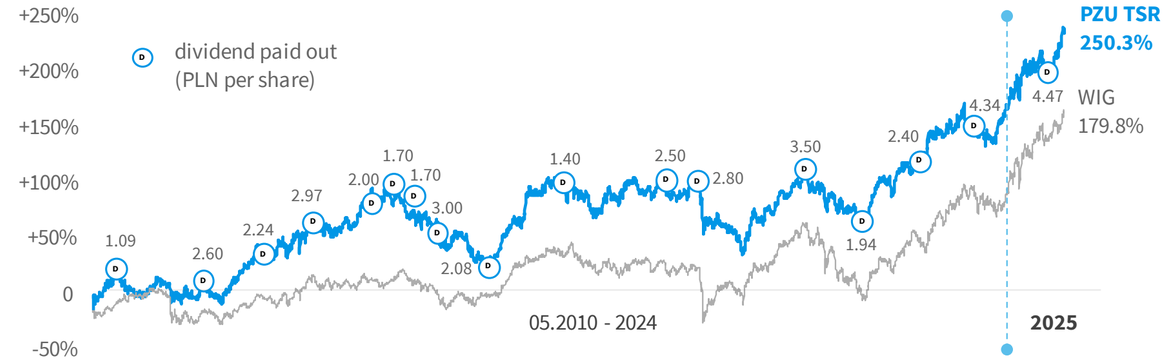
4) As at 31 December 2025, the level of own funds, without deducting the expected dividends, was at the level of at least 175% of the capital requirements for insurance companies, reinsurance companies, insurance-and-reinsurance companies operating in section I and at least 150% of the capital requirements for insurance companies, reinsurance companies, insurance-and-reinsurance companies operating in section II.

The undertakings satisfying the above criteria may pay a dividend in the maximum amount of 100% of the profit generated in 2024 (this including dividends already paid out from the 2024 profit) and 100% of the profit generated in 2025, however the coverage of capital requirements (after deducting the expected dividends from own funds) as at December 31, 2025, and for the quarter in which the dividend was paid, will be at the level of at least 175% for undertakings operating in section I and at least 150% for undertakings operating in section II.

When deciding on the level of dividends, the undertakings satisfying the above criteria should take into account their additional capital needs within the period of 12 months from the approval date of the 2025 financial statements.

71) Up to the date of preparing this report on the activities of the PZU Group, the PZU Management Board has not adopted a resolution concerning the proposed distribution of profit for 2024. A report containing audited information on PZU's solvency ratios and financial standing on a standalone basis will be published Q2 2025.

Total Shareholders Return (TSR) compared to the WIG index



Source: PZU

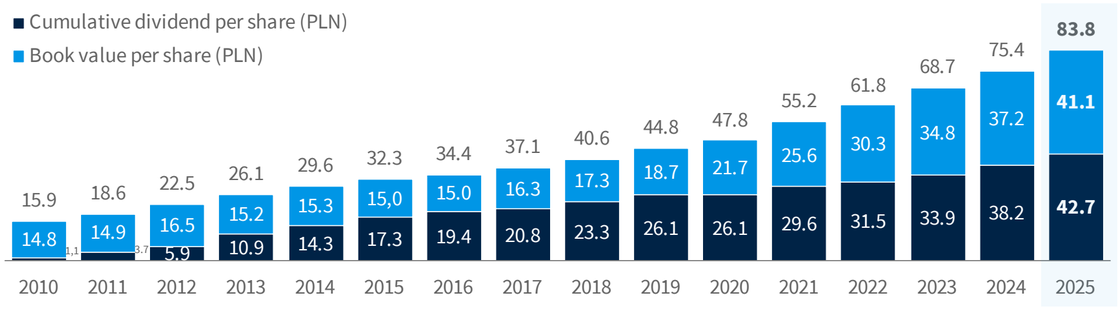
PZU profit and dividend	2021	2022	2023	2024	2025
Consolidated profit attributable to the parent company (PLN million)	3,336	3,781	5,780	5,342	6,699
PZU's unconsolidated profit (PLN million)	2,028	1,637	3,983	3,877	5,062
Dividend paid for the year (PLN million)	1,675	2,072	3,748	3,860	**
Dividend per share for the year (PLN)	1.94	2.40	4.34	4.47	**
Dividend per share according to the year in which the right was established (PLN)	3.50	1.94	2.40	4.34	4.47
(a) Change in share price y/y	9.2%	0.2%	33.5%	(3.0)%	45.6%
(b) Annual dividend ratio (%)*	10.8%	5.5%	6.8%	9.2%	9.8%
(a+b) TSR Total Shareholders Return	20.1%	5.7%	40.2%	6.2%	55.4%

*) ratio calculated as dividend (according to the year in which the right was established) compared to share price as at the end of the previous reporting year

**) up to the date of preparing this report on the activities of the PZU Group, the PZU Management Board has not adopted a resolution concerning the proposed distribution of profit for 2025

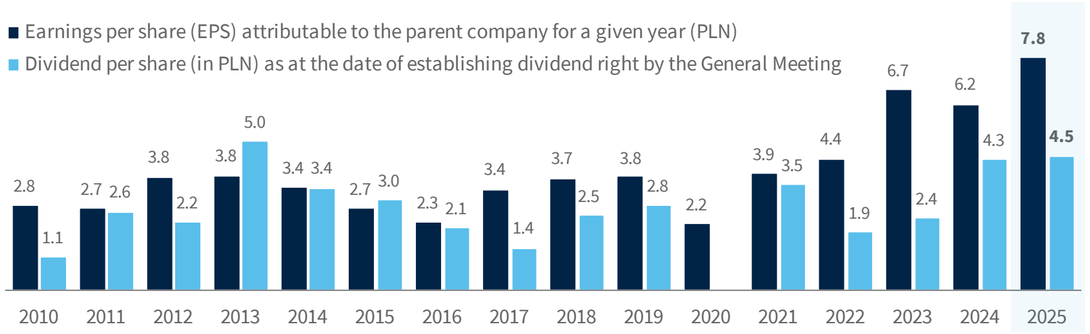
Source: PZU figures

Book value per share and cumulative gross dividend per share of PZU in PLN



Source: PZU

PZU profit and dividend since going public on the WSE



Source: PZU

6.8. Financial rating

PZU

Since 2004, PZU and PZU Życie have been subject to regular reviews by the rating agency of S&P Global Ratings (S&P). The rating assigned to PZU and PZU Życie results from an analysis of financial data, competitive position, management and corporate strategy of both companies as well as the sovereign rating. It also includes a ratings outlook, or an assessment of the Company's future position in the event that specific circumstances occur.

Recent rating/outlook changes: On 28 May 2024, the rating agency of S&P Global Ratings (S&P) raised the rating outlook of PZU from "stable" to "positive". The financial strength and credit ratings of PZU have remained at A- since 21 January 2016.

PZU rating

	Current		Previous	
Company name	Rating and outlook	Last change	Rating and outlook	Update date
PZU				
Financial strength rating	A- /positive/	28 May 2024	A- /stable/	06 April 2020
Credit reliability rating	A- /positive/	28 May 2024	A- /stable/	06 April 2020
PZU Życie				
Financial strength rating	A- /positive/	28 May 2024	A- /stable/	06 April 2020
Credit reliability rating	A- /positive/	28 May 2024	A- /stable/	06 April 2020
TUW PZUW				
Financial strength rating	A- /positive/	28 May 2024	A- /stable/	06 April 2020

Source: https://www.pekao.com.pl/relacje-inwestorskie/obligacje-i-oceny/oceny-ratingowe.html

Poland's rating

On November 7, 2025, the S&P rating agency decided to affirm the rating at A- and A-2 for long- and short-term liabilities in foreign currencies, respectively, and at A and A-1 for long- and short-term liabilities in the domestic currency, respectively.

The rating outlook remained stable.

Poland's rating

	Current		Previous	
Country	Rating and outlook	Last change	Rating and outlook	Update date
Poland				
Credit reliability rating (long-term, local currency)	**A /stable/**	12 October 2018	**A- /positive/**	13 April 2018
Credit reliability rating (long-term, foreign currency)	**A- /stable/**	12 October 2018	**BBB+ /positive/**	13 April 2018
Credit reliability rating (short-term, local currency)	A-1	12 October 2018	A-2	13 April 2018
Credit reliability rating (short-term, foreign currency)	A-2	13 April 2018	A-2	13 April 2018

Source: S&P Global Ratings

Bank Pekao

FITCH RATINGS	PEKAO BANK	POLAND
Long-term issuer's rating (IDR)	BBB+	A-
Short-term issuer's rating (IDR)	F2	F1
Viability rating	bbb+	-
Government subsidy rating	No subsidy	-
Outlook	Stable	Negative
Domestic long-term rating	AA(pol)	
Domestic short-term rating	F1+(pol)	-

S&P GLOBAL RATINGS	PEKAO BANK	POLAND
Long-term rating in foreign currencies	A-	A-
Long-term rating in domestic currency	A-	A
Short-term rating in foreign currencies	A-2	A-2
Short-term rating in domestic currency	A-2	A-1
Stand-alone rating	bbb+	-
Outlook	Stable	Stable

MOODY'S INVESTORS SERVICE	PEKAO BANK	POLAND
Long-term rating of deposits in foreign currencies	A2	A2
Short-term rating of deposits	Prime-1	Prime-1
Baseline Credit Assessment	baa2	-
Long-term counterparty credit risk rating	A2	-
Short-term counterparty credit risk rating	Prime-1	-
Outlook	Negative	Negative
Long-term counterparty risk rating	A2(cr)	-
Short-term Counterparty Risk Rating	Prime-1(cr)	-

Source: https://www.pekao.com.pl/relacje-inwestorskie/obligacje-i-oceny/oceny-ratingowe.html

Alior Bank

FITCH RATINGS	ALIOR BANK	POLAND
Long-term issuer's rating (IDR)	BB+	A-
Short-term issuer's rating (IDR)	B	F1
Viability rating	bb+	-
Government subsidy rating	ns	-
Outlook	Positive	Negative

S&P GLOBAL RATINGS	ALIOR BANK	POLAND
Long-term rating in foreign currencies	BB+	A-
Long-term rating in domestic currency	BB+	A
Short-term rating in foreign currencies	B	A-2
Short-term rating in domestic currency	B	A-1
Stand-alone rating	bb	-
Outlook	Positive	Stable

Source: https://www.aliorbank.pl/dodatkowe-informacje/relacje-inwestorskie/ratingi-i-emisje.html

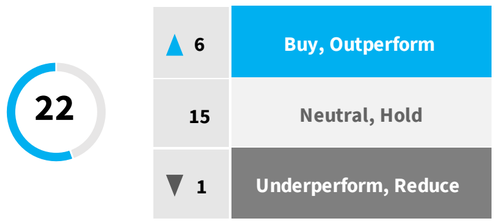
6.9. Analysts' predictions

In 2025, 12 domestic and international financial institutions issued PZU share recommendations. Sell side analysts published 22 recommendations (23 in 2024). Most of the recommendations (95%) issued during this period were positive or neutral.

In early 2025, "buy" recommendations prevailed. In January 2025, the average target price from analyst valuations was more than 12% above PZU's share price. In the following months, the stock's valuation grew much faster than the target prices, which influenced the growing number of "hold" recommendations. In the middle of the year, the market valuation of PZU's shares was several percent above the average recommendation. In the second half of 2025, analysts' expectations rose steadily, against the backdrop of recorded elevated volatility on PZU shares. In December 2025, the difference between the average target prices from the recommendations and PZU's share price was 0.3%.

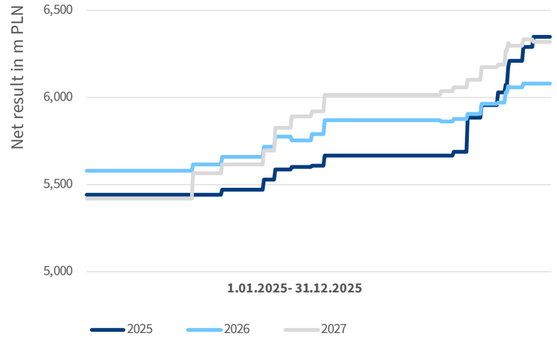
Between January and December 2025, the average target price rose by 19.3%. Increasing target valuations were linked to analysts' rising expectations for projected net income. At the beginning of 2025, the consensus for PZU's parent company's net income for 2025 was PLN 5.4 billion; by the end of the year it was close to PLN 6.4 billion.

Statistics related to the recommendations published in 2025



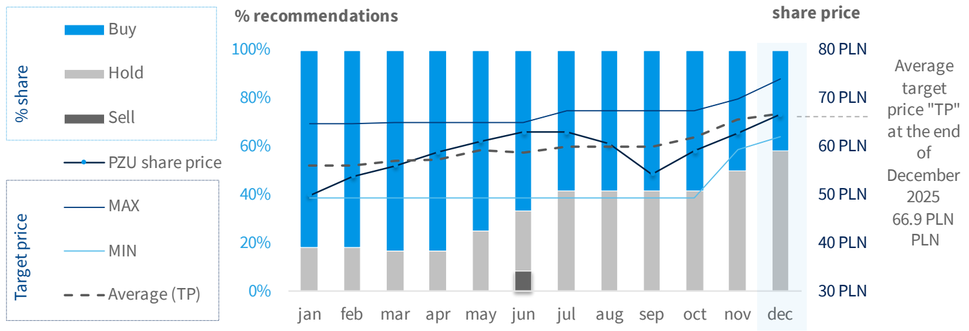
Source: Analysts' recommendations; company

Changes in market consensus on the net result attributable to shareholders of the PZU Group parent company

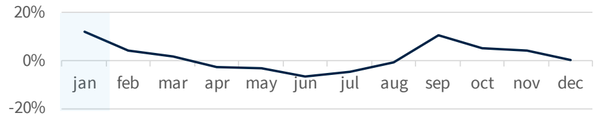


Source: Analysts' recommendations; company

Analysts' expectations concerning PZU's share price in 2025 based on recommendations in effect at the end of December 2024



Deviation of the average valuation from a share price



Source: own compilation based on analyses by institutions and analysts.

Statistical figures on target prices in recommendations

	31 December 2024	31 December 2025	Change	Difference between prices in recommendations and share prices as at end of 2025 (PLN 66.7)
Highest target price	64.9	74.0	14.0%	10.9%
Average target price	54.9	66.9	21.9%	0.3%
Median of target prices	54.8	66.5	21.4%	-0.3%
Lowest target price	41.3	62.1	50.4%	-7.0%

Institutions issuing recommendations for PZU's shares (as at December 31, 2025)

INSTITUTION	ANALYST	E-MAIL	PHONE NO.
Autonomous Research	Youdish Chicooree	ychicooree@autonomous.com	+44 207 776 34 42
Citi	Andrzej Powierża	n/a	+48 22 690 35 66
Erste Securities	Łukasz Jańczak	lukasz.janczak@erstegroup.com	+48 22 257 57 54
HSBC	Bhavin Rathod	bhavinkumarrathod@hsbc.co.in	+91 804 550 29 93
JP Morgan	Samuel Goodacre	samuel.goodacre@jpmorgan.com	+44 207 134 67 20
mBank	Michał Konarski	michal.konarski@mdm.pl	+48 22 697 47 37
PKO BP	Jaromir Szortyka	jaromir.szortyka@pkobp.pl	+48 22 580 39 47
ODDO BHF	Rok Stibric	rok.stibric@oddo-bhf.com	+43 1 253 121 6606
Trigon	Maciej Marcinowski	maciej.marcinowski@trigon.pl	+48 22 433 83 75
Santander	Kamil Stolarski	kamil.stolarski@santander.pl	+48 22 586 81 00
UBS	Michał Potyra	michal.potyra@ubs.com	+44 20 756 819 35
Wood & Company	Marta Jeżewska-Wasilewska	marta.jezewska-wasilewska@wood.com	+48 22 222 15 48

7. Statement on the application of corporate governance



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7.1. Application of corporate governance rules

PZU's corporate governance is a set of fundamental principles, practices and processes on the management of and control over the Company. It lays out the rules for the operation of and co-operation between statutory bodies, and shapes their relationship with shareholders, clients and other stakeholders.

Corporate governance rules applied at PZU arise from the statutory regulations, in particular the Commercial Company Code, the Insurance and Reinsurance Activity Act, and the regulations governing the capital market, as well as the rules set forth in the two documents below:

Best Practices of WSE-Listed Companies 2021

PZU complies with the rules laid out in "Best Practices of WSE-Listed Companies" since its shares were listed for trading on the regulated market. It is a collection of corporate governance rules and rules of conduct that affect how public companies interact with their market environment. The "comply or explain" formula applies to the rules contained in the WSE BP. Listed companies are required to publish up-to-date information regarding the application of each rule. In addition, in the event of an incidental violation of the rules, companies are required to immediately report it.

The text is available on the website of:

- the Warsaw Stock Exchange,www.gpw.pl/dobre-praktyki;
- PZU, https://www.pzu.pl/_fileserver/item/1531691.

Corporate Governance Rules for Regulated Institutions

Corporate Governance Rules for Regulated Institutions, issued on 22 July 2014 by the Polish Financial Supervision Authority (KNF), define the internal and external relations of regulated institutions, including their relations with shareholders and customers, their organization, the functioning of internal oversight and key internal systems and functions as well as the governing bodies and the rules for their cooperation. The document is available on the website of:

- the Polish Supervision Authority: https://www.knf.gov.pl/knf/pl/komponenty/img/knf_140904_Zasady_ladu_korporacyjnego_22072014_38575.pdf;
- PZU, https://www.pzu.pl/_fileserver/item/1508350.

Other corporate governance rules

PZU applies the rules for the insurance sector set forth in the Best Insurance Practices (industry regulation) – published on the website of the Polish Insurance Association at: https://piu.org.pl/zasady-dobrych-praktyk/ and on PZU's website at: https://www.pzu.pl/_fileserver/item/1504268.

PZU also applies internal regulations detailing selected elements of corporate governance. Uniform texts of these documents are publicly available on the PZU website:

- Best Practices of PZU Group – https://www.pzu.pl/grupa-pzu/o-nas/kultura-compliance-pzu/dobre-praktyki-pzu;
- Information policy towards capital market participants – https://www.pzu.pl/_fileserver/item/1506523;
- Diversity Policy for Members of PZU Bodies – https://www.pzu.pl/_fileserver/item/1540729;
- Gender policy at the Management Board and Supervisory Board of PZU – https://www.pzu.pl/_fileserver/item/1560793;
- Conflict of interest management rules at PZU – https://www.pzu.pl/_fileserver/item/1508361;
- Anti-corruption policy – https://www.pzu.pl/_fileserver/item/1551958;
- Compensation Policy for the PZU Management Board and Supervisory Board Members – https://www.pzu.pl/_fileserver/item/1524428;
- Sustainable Development Policy in the PZU Group – https://www.pzu.pl/_fileserver/item/1566448.

7.1.1. Application of corporate governance rules contained in Best Practices of WSE-Listed Companies

In the view of European Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (2014/208/EU), here are details concerning the application of corporate governance relating to topics of most importance for shareholders.

In 2025, PZU complied with the principles set out in the Best Practice for GPW Listed Companies 2021 (DPSN 2021), with the exception of: Principle 2.1 and Principle 2.2 concerning the diversity policy applicable to the issuer's governing bodies, as well as Principle 4.1 concerning e-Shareholder Meeting (e GMs).

In addition, in 2025 there were two violations of Principle 4.8 (submission of draft resolutions during the General Meeting without observing the 3 day deadline prior to the GM) and one violation of Principle 4.9.1 (submission of a candidate to the Supervisory Board less than 3 days before the GM date).

Information on PZU's application of the principles contained in the Set of Best Practices of WSE Listed Companies 2021 can be found athttps://www.pzu.pl/_fileserver/item/1531690.

Principles 2.1 and 2.2 of the WSE BP 2021

Pursuant to Principle 2.1, the Company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the shareholder meeting, respectively. The diversity policy specifies diversity goals and criteria, including in areas such as gender, field of education, specialized knowledge, age and work experience, and indicates when and how to monitor the achievement of these goals. In terms of gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities on a given body be no less than 30%.

Principle 2.2 requires that the persons making decisions regarding the selection of members of the company's management board or supervisory board should ensure the comprehensiveness of these bodies by appointing individuals who bring diversity, including, *inter alia*, to achieve the target minimum minority representation set at no less than 30%.

- PZU applies Principles 2.1 and 2.2 in terms of maintaining and implementing a diversity policy adopted by the Supervisory Board and the General Meeting, covering all required areas of diversity. The deviation relates to the actual gender diversity level in the Management Board, where at the end of 2025 and on the publication date the minority share was below the required 30%. This requirement was met in the Supervisory Board.
- The reason for not meeting the 30% ratio in the Management Board and the alternative measures achieving the principle's objective are presented below:
  - PZU has a diversity policy applicable to members of PZU's governing bodies, adopted by the PZU Supervisory Board and the PZU General Meeting, which defines diversity objectives and criteria, including areas such as gender, educational background, specialised knowledge, age and professional experience, and which sets the deadline and method for monitoring the achievement of these objectives. In line with the policy, the General Meeting and the Supervisory Board, when selecting members of the Supervisory Board and the Management Board respectively, aim to achieve gender balance in PZU's governing bodies, including achieving a minimum minority gender share of 30%.
  - With regard to the qualifications and requirements for persons serving in management and supervisory positions, PZU takes into account statutory criteria concerning education and professional experience appropriate for performing these functions in an insurance undertaking. The diversity objectives and criteria in areas such as educational background, specialised knowledge and professional experience, as well as the deadline and method for monitoring their implementation, are defined in the Fit and Proper Assessment Rules for the Supervisory Board and Audit Committee and the Management Board of PZU, adopted respectively by resolutions of the General Meeting and the Supervisory Board.
  - In connection with Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, on 25 June 2025, the PZU Ordinary Shareholder Meeting adopted the Gender Balance Policy for the Management Board and Supervisory Board of PZU SA, which aims to establish rules to ensure gender balance in the Management Board and Supervisory Board. In accordance with the Policy, the Company will pursue the goal of ensuring that the total number of positions on the Management Board and the Supervisory Board of PZU SA held by persons of the underrepresented gender is in compliance with the law and that persons of the underrepresented gender hold positions on each of the Company's bodies. By the time the regulations implementing the aforementioned Directive come into effect, PZU aims to ensure a gender minority quota of 30%.
- The deviation from the 30% diversity ratio in the Management Board is temporary, and its elimination will be possible during subsequent nomination procedures. With the implementation of Directive 2022/2381, full compliance is expected within the deadlines set by future national regulations.

Principle 4.1 of the WSE BP 2021

Pursuant to Principle 4.1., the Company should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

- PZU does not apply this principle in the scope of enabling participation in the General Meeting through electronic means (e-GM). The deviation results from the absence of shareholder expectations requesting the organisation of General Meetings in a remote format, even though PZU is technically capable of conducting such a meeting if needed. The absence of such requests indicates that the current model sufficiently meets shareholder needs.
- PZU applies alternative solutions achieving the objective of the principle by ensuring shareholder access to information and the ability to follow the meeting in real time, including:
    - online streaming of the General Meeting,
    - permanent access to recordings on the website,
    - organizing meetings at PZU's headquarters in Warsaw, on business days and at hours enabling convenient access.
- The deviation is not permanent — it may be removed if shareholders express the need for e-GMs.

Principles 4.8 and 4.9.1 of the WSE BP 2021

Pursuant to Principle 4.8, draft resolutions of the Shareholder Meeting on issues introduced to the agenda of the Shareholder Meeting shall be submitted by the shareholders 3 days before the Shareholder Meeting at the latest.

Principle 4.9.1 requires that candidacies for members of the Supervisory Board and complete materials regarding candidates be submitted in a timeframe enabling shareholders to make informed decisions, no later than three days before the meeting, and that the company promptly publish this information on its website.

- PZU generally applies Principles 4.8 and 4.9.1 in full by:
    - monitoring the deadlines for submitting draft resolutions and candidacies by shareholders,
    - promptly publishing submitted draft resolutions and candidate materials on the Company's website,
    - publishing current reports upon receiving submissions, ensuring equal access to information for all investors,
    - applying internal procedures for handling the General Meeting that incorporate the DPSN requirements regarding minimum submission deadlines.

These measures aim to ensure full transparency and to enable shareholders to make informed decisions.

- In 2025, there were incidental violations of the principles due to shareholder actions. The Company implemented immediate measures to minimise the impact of the violations on shareholders' rights and ensured full transparency of the process.

Description of incidental violations in 2025

- During the PZU AGM on 25 June 2025:
    - a shareholder submitted draft resolutions concerning two agenda items during the meeting,
    - one candidate for the Supervisory Board was submitted on 24 June 2025, i.e. one day before the AGM, which constitutes an incidental violation of Principles 4.8 and 4.9.1.

    After receiving the submission:
    - PZU promptly published a current report concerning the submitted candidate,
    - the complete set of candidate materials was immediately made available on the Company's website.

    These actions aimed to limit the impact of the breach of deadlines on shareholder information rights.
- During the Extraordinary General Meeting of PZU on 23 December 2025:
    - a shareholder submitted a draft resolution regarding one of the agenda items during the EGM, which constitutes an incidental violation of Principle 4.8.

As before, the Company ensured immediate disclosure of information to all shareholders.

The following table describes PZU's application of the WSE BP 2021 principles. Selected aspects are described in more detail in the following sections of the statement in a layout consistent with the WSE BP 2021 Chapters.

Chapter	Material aspects of application of Best Practices of WSE-Listed Companies 2021 at PZU
Chapter 1. Information policy and communications with investors	• PZU sees to it that there is due communications with stakeholders by having a clear and reliable information policy. The Rules of PZU's Information Policy towards Capital Market Players are available on the Company's website: https://www.pzu.pl/_fileserver/item/1543244; • PZU maintains a corporate website at: www.pzu.pl, which features all disclosures indicated in WSE BP 2021 and required by the law and additional information relevant to the investors. Under Investor Relations www.pzu.pl/ri, which is available in Polish and English, the following is published, in particular: ○ 2025–2027 strategy including aspects of sustainable development (available at: https://www.pzu.pl/_fileserver/item/1557444; ○ presentations including a discussion of quarterly financial results, the market environment, and progress on strategic financial targets and ESG targets; ○ recordings and transcriptions of result conferences, shareholder meetings and other key corporate events (e.g. publication of the strategy); ○ statements of selected financial data; ○ aggregate recommendations of analysts with an average target price of shares, as well as the consensus for quarterly and annual projected consolidated results; ○ calendars for financial report publication, performance meetings, chats and participation in investor conferences. • PZU presents a description of its ESG activities, including how climate is accounted for in its decision-making processes, an equal pay index, and a statement of expenses incurred by the PZU Group to support culture, sport, physical activity, social organizations and foundations, charities, media, and trade unions. This information can be found in the integrated online annual report and the Management Board's report on the Company's activity, together with the sustainability statement. All documents are available on the PZU website, in Polish and English. • Every quarter, PZU organizes result conferences for investors and analysts involving representatives of the Management Board and chat sessions for retail investors held by the CFO. The meetings are to discuss financial results, the degree to which the strategy is implemented, and the most important events affecting the PZU Group's operations. • PZU representatives regularly contact investors (both institutional and retail) and analysts, allowing them to ask questions and obtain clarifications pertaining to matters of their interest. Contact occurs both within electronic communication channels and through in-person meetings during investor conferences organized by Polish and foreign brokerage houses as well as on-site meetings. • PZU endeavors to respond to investors' questions immediately, and with respect to e-mail questions - within three working days. More in chapter 7.2. Statements
Chapter 2. Management Board and Supervisory Board	• Supervisory Board Members and Management Board Members are subject to periodic suitability assessments. Supervisory Board Members are assessed by the Shareholder Meeting, and Management Board Members – by the Supervisory Board. The assessment includes verification process based on the criteria of competence, guarantee (of reputation and reliability), independent judgment (including no conflict of interest) and sufficient time dedication to the position of the Supervisory Board Member or the Management Board Member, as the case may be. In 2025 and until the date of publication of the report, all Members of the Management Board and of the Supervisory Board had the relevant competencies, skills and experience, as described later in the statement, and a positive suitability assessment. • Members of the PZU Management Board and of the PZU Supervisory Board strove to apply the rules relating to them to the fullest possible extent, which included: ○ in 2025, functions on the PZU Management Board were the main area of the professional activity of PZU Management Board Members; ○ the PZU Supervisory Board Members dedicated sufficient time to perform their duties, with the majority of Members attending all PZU Supervisory Board meetings in 2025; ○ the PZU Supervisory Board Chair did not combine this function with that of Chair of the Audit Committee operating within the PZU Supervisory Board; • As at the end of 2025 and as at the date of publication of the report, 9 out of 11 members of the Supervisory Board of PZU (including all members of the Audit Committee) met the independence criteria laid down in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. As at the date of publication of the report, 7 members of the Supervisory Board submitted statements confirming that they had no actual and material relations with any shareholder holding at least 5% of the total vote in the Company. As of 31 December 2025, 6 members of the Supervisory Board met these criteria. • PZU sets aside administrative and financial resources required to ensure the efficient operation of the Company's Supervisory Board. Supervisory Board meetings are held at the Company's registered office. PZU has a team to work with statutory bodies. • The Supervisory Board effectively supervises PZU's operations, verifies the work of the Management Board in implementing the strategic goals as established, and monitors the performance of PZU and the PZU Group. The Management Board provides the Supervisory Board with access to information on matters concerning PZU. Each year, the Supervisory Board prepares and provides the Shareholder Meeting with an annual report on its activities containing all elements specified under Principle 2.11 WSE BP, including an assessment of the company's position, an assessment of the internal control, risk management and compliance systems, an assessment of the compensation policy functioning, an assessment of how PZU complies with its disclosure obligations, an assessment of the reasonableness of expenses incurred by PZU and the PZU Group to support culture, sport, charities, media, social organizations and trade unions, an assessment of the implementation of key sustainable development commitments, and an assessment of the implementation level of the diversity policy with respect to the Management Board and the Supervisory Board. More in chapter 7.3. Statements

Chapter	Material aspects of application of Best Practices of WSE-Listed Companies 2021 at PZU
Chapter 3. Internal systems and functions	• PZU maintains effective internal control, risk management and compliance systems, as well as an effective internal audit function: ○ The PZU Group's internal control system has been developed at the level of the leading entity (i.e., PZU) and is applicable to all members of the PZU Group, in consideration of their distinct nature, proportionality and adequacy. ○ In order to ensure the proper quality and continuous improvement of the internal audit function, internal (on an annual basis) and external (not less than once every five years) assessments of the PZU's internal audit activities are conducted. A third-party assessment of the internal audit function at PZU and an analysis of coordination of the Group's internal audit run by the Internal Audit Department demonstrated general compliance with the Global Internal Audit Standards issued by the Institute of Internal Auditors. ○ PZU exercises supervision over the entire PZU Group's risk management system. This supervision is based on mutual cooperation agreements entered into with the subsidiaries and the information provided thereunder. PZU manages risk at the PZU Group level on an aggregate basis, especially with respect to capital requirements. In addition, PZU, as a leading entity, manages risk concentration on the level of the whole financial conglomerate. PZU makes efforts aimed at ensuring adequate and uniform standards of compliance solutions in all subsidiaries and monitors compliance risk throughout the entire Group. • Within the PZU structure, there are separate units responsible for performing the tasks of each system and function – the Internal Audit Department, the Compliance Department, the Risk Department and the Actuarial Department: ○ The Managing Director on Audit, who heads the Internal Audit Department, reports functionally to the Audit Committee of the Supervisory Board and organizationally to the President. Appointment and dismissal of a person to head the Internal Audit Department requires the opinion of the Audit Committee of the Supervisory Board. The person managing internal audit may directly contact the Supervisory Board and Audit Committee Chairperson, and in particular immediately provide the Audit Committee with material information with respect to material irregularities found. ○ The Managing Director on Regulations, who manages the Compliance Department, organizationally reports to the President. The appointment and dismissal of a person to the position of the head of the compliance unit requires the opinion of the Audit Committee of the Supervisory Board. The Managing Director on Regulations has direct access to the Management Board and Supervisory Board Members to whom the compliance function reports. ○ The Director of the Risk Department reports organizationally to the Board Member responsible for risk management. ○ The actuarial function is supervised at PZU by the Company's Chief Actuary, who is also the Director for Underwriting Risk in the Actuarial Department at PZU. The Company's Chief Actuary reports to the Board Member supervising the Actuarial Office and submits an annual Actuarial Function Activity Report to the Management Board. • The annual activity report concerning the Internal Audit Department, featuring, among others, an assessment of the internal control, compliance and risk management systems, is adopted by the virtue of the resolution of the Management Board. The report is presented to the Supervisory Board's Audit Committee. The assessment presented in the report is discussed by the Audit Committee Chairman at the meeting of the Supervisory Board. • The Supervisory Board monitors the efficiency of the internal control, risk management system and compliance function, along with the efficiency of the internal audit function based on, among others, the interim reports it receives; it also carries out an annual assessment concerning the efficiency of those systems and functions and includes relevant disclosures in its annual report. • The compensation of persons responsible for risk management and compliance and of the Head of the Internal Audit Department depends on the completion of the assigned tasks, regardless of PZU's financial performance. More in chapter 7.4. Statements
Chapter 4. Shareholder Meeting and relations with shareholders	• On 29 June 2022, the PZU Ordinary Shareholder Meeting adopted a resolution on the adoption of WSE BP 2021 in which it declared that, acting within its powers, it will be guided by WSE BP 2021 to the extent that it is addressed towards the Shareholder Meeting and shareholders, taking into account the generally applicable provisions of the law and PZU's Articles of Association. • In determining the time and place for the Shareholder Meeting, PZU ensures that as many shareholders as possible may take part – Shareholder Meetings take place in Warsaw, at the PZU's registered office. Media representatives may be present at a PZU Shareholder Meeting; • PZU live-streams Shareholder Meetings and information concerning the planned broadcast is published in advance on the Company's website. After the Shareholder Meeting concludes its session, the recording is published on the PZU's website under the Investor Relations section (https://www.pzu.pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenia); • Members of the Management Board and of the Supervisory Board take part in the Shareholding Meeting, in a composition allowing them to give substantive answers to questions asked during the Meeting. The Management Board presents the participants of the Shareholder Meeting with the Company's financial results and other material information, including non-financial information, and answers shareholders' questions. • PZU endeavors to ensure that draft resolutions be submitted no later than three days before the shareholder meeting. The PZU Management Board appends justifications to its draft resolutions on matters and decisions which do not pertain to the business of the meeting, unless such justifications arise from the documentation presented to the Shareholder Meeting. Draft resolutions submitted by shareholders should also be submitted with justifications. PZU publishes draft resolutions with justifications on the PZU website under the Investor Relations section on the day of the Shareholding Meeting announcement (https://www.pzu.pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenia).

Chapter	Material aspects of application of Best Practices of WSE-Listed Companies 2021 at PZU
	• PZU pays out the dividend to its shareholders regularly in line with PZU's dividend policy and KNF's position. The amount of the dividend proposed by the PZU Management Board is no less than 50% of the PZU Group's consolidated financial result. Since 2010, i.e. since its first listing at WSE, PZU has been paying out the dividend every year, except for 2020, when KNF and EIOPA recommended that insurers temporarily suspend the payment of dividend. The dividend per share in 2025 was PLN 4.47. 72% of the PZU Group's 2024 net profit attributable to shareholders of the parent company was allocated to dividends. More in chapter 7.5. Statements
Chapter 5. Conflict of interest and transactions with related parties	• PZU has internal regulations (in particular, rules for managing conflicts of interest, principles of ethics applicable to members of corporate bodies, PZU Group Best Practices) on the management of a conflict of interest and conclusion of transactions with related parties in the event that a conflict of interest may arise, which guarantee compliance with the principles found in Chapter 5 WSE BP 2021. These regulations also apply to all PZU Group companies, appropriately to the profile and scale of their operations. • No PZU shareholder is treated preferentially in relation to other shareholders with respect to transactions with related parties. PZU has regulations concerning transfer pricing. As a general rule, for each transaction between related parties, an analysis is prepared to confirm that the transaction was concluded at arm's length. • According to PZU's Articles of Association, if the value of a transaction with a related party exceeds 5% of total assets, the PZU Supervisory Board is obliged to decide whether to approve the transaction. • In order to reduce the risk of conflict of interest, in accordance with the principles of ethics applicable to members of corporate bodies, Members of the Management Board and of the Supervisory Board are obliged to: ○ avoid actions which may give rise to a conflict of interest; ○ undertake actions necessary to identify a conflict of interest; ○ obtain approval (from the Management Board or the Supervisory Board or the Shareholder Meeting, as appropriate) for membership on the supervisory or management boards of public companies other than PZU Group companies, and entities whose operations may potentially be deemed as competitive; ○ seek to eliminate or mitigate the adverse impact of a conflict of interest on the operations of a PZU Group company and its relationship with other PZU Group companies, clients, and third parties; ○ inform (the Management Board or the Supervisory Board or the Shareholder Meeting, as appropriate) of an extant or possible conflict of interest, and to refrain from taking part ○ in discussions and voting on a matter in which a conflict of interest has arisen; ○ inform the compliance unit about a potential conflict of interest and actions taken. • Potential conflicts of interest involving Management Board or Supervisory Board Members are analyzed within the framework of suitability assessment before these persons are appointed to those bodies, and within cyclical suitability reassessments. An annual analysis of additional actions taken by members of corporate bodies is also carried out. More in chapter 7.6. Statements
Chapter 6. Payroll	• PZU has a remuneration policy for PZU Management Board Members and PZU Supervisory Board Members, adopted by the PZU Shareholder Meeting. The objectives of the compensation policy are as follows: ○ supporting the implementation of the PZU Group's strategy; ○ matching the level and structure of compensation to the PZU's risk profile; ○ ensuring proper financial management of PZU and its long-term stability; ○ pursuing a bonus policy that is flexible and adapted to the PZU's business position, by linking the variable compensation system of the company's managers to the achievement of the management targets as determined and ensuring that this variable compensation is in proper proportion with fixed compensation; ○ preventing conflicts of interest. • The compensation of Management Board Members is composed of a fixed and a variable portion. Variable remuneration for a given fiscal year depends on the level of achievement of the management objectives set by the Supervisory Board from the catalog, which include, among others, improving economic and financial indicators and taking measures that take into account social interests, including those resulting in the company's contribution to environmental protection, In 2025, the objectives included improving financial performance (including in the areas of revenue, cost efficiency, capital security) and achieving ESG objectives (including improving the NPS indicator, achieving the desired level of Gender Pay Gap Ratio, increasing employee engagement). • Compensation of Supervisory Board Members does not depend on PZU's performance. They receive a fixed monthly compensation, regardless of the number of meetings, which is the product of the average monthly compensation in the corporate sector (announced by the Statistics Poland) and the multiplier of 2.75. The chairpersons of committees operating within the Supervisory Board receive compensation increased by 9%. • Compensation rules do not provide for long-term incentive plans. More in chapter 7.7. Statements

7.1.2. Application of Corporate Governance Rules for Regulated Institutions

The PZU Management Board and Supervisory Board adopted resolutions (respectively, UZ/375/2014 of 17 December 2014 and URN/49/2014 of 19 December 2014), whereby they adopted standards arising from the Corporate Governance Rules for Regulated Institutions (CGR) to the broadest possible extent while giving consideration to the rule of proportionality and the rule "comply or explain." PZU partially complies with three rules, i.e. the rules under § 8(4), § 21(2), and § 49(3).

In its resolution no. 36/2015 of 30 June 2015, the **PZU Ordinary Shareholder Meeting** declared that, acting within its powers, it will be guided by CGR in the wording adopted by KNF on 22 July 2014, subject to rules from which it derogated, i.e., rules under § 10(2), § 12(1), and § 28(4).

The statement on compliance with the Corporate Governance Rules for Regulated Institutions, taking into account the rules partially complied with and those which do not apply to PZU due to the nature of its operations, is available on the PZU's website, https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego.

PZU monitors the degree and manner of compliance with CGR and, if necessary, takes steps on an as-needed basis to ensure compliance therewith to the fullest extent. In particular, PZU pays attention to the following matters and activities.

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
Chapter 1. Organization and organizational structure	• PZU has relevant internal rules and regulations concerning its organization and organizational structure. PZU's organization enables the achievement of long-term strategic objectives and independent monitoring of operational and strategic risks. The strategic objectives are laid down in the PZU Group Strategy adopted by the Management Board and approved by the PZU Supervisory Board. • The PZU organizational structure is commensurate with the scale of operations, the extent of realized functions and the scale and complexity of risks, and it effectively supports the achievement of the Company's strategic objectives as well as immediate business and operating goals. For the organizational structure, please consult Investor Relations in PZU's website (https://www.pzu.pl/relacje-inwestorskie/o-grupie/struktura-grupy). Within the PZU organizational structure, key functions are separated, there is an established scope of competence for each PZU Board Member and PZU Group Director, and there is a clear division of tasks and responsibilities among the various units. PZU headquarters is a support center for the PZU Management Board in managing the Company's operations and coordinating activities within the PZU Group (headquarters provides, among other things, corporate governance function and supervision, internal review, key functions of internal audit, compliance, risk and actuarial services, strategy, M&A and project management, HR, legal services, security, cybersecurity, AML, innovations, IT, client experience management, marketing and communications, sustainable development, administration, procurement, real estate, reinsurance, as well as management of finance and investments, products, sales processes and networks, client service processes, claims and benefits processes and IT); specialized units carry out operational activities in the following areas: claims and benefits, assistance, client service, insurance operations, insurance accounting and collection, analysis and reporting of employee operations, while organizational units in the field structure, including PZU Branches, are responsible for insurance sales and client service. • PZU has detailed emergency and crisis management methods, including the PZU Group's Corrective Measures Plan (a document applicable to the PZU Group's significant companies, particularly the banks operating within the Group) and the Business Continuity Plan. PZU has a Crisis Management Team, the purpose of which is to supervise the operation of the business continuity management system, manage the crisis situation and undertake activities related to the management of the Crisis Situation. • the Compliance Department and the Legal Department at PZU monitor the law and the recommendations of the supervisory authorities, ensuring that PZU's activities comply with the law and supervisors' requirements. Violations at PZU may be reported anonymously. The Whistleblowing Procedure ensures confidentiality, discretion and personal data protection for whistleblowers. An employee who reports a potential violation in good faith is not at risk of any sanctions; nor does he or she incur any consequences pertaining to his or her employment relationship due to that report. The Management Board provides the Supervisory Board with quarterly risk reports, which include information on compliance risk management and serious fraud, as well as with quarterly internal audit reports.
Chapter 2. Relations with shareholders of a regulated institution	• PZU operates with the interests of all stakeholders in mind. No shareholder is privileged in access to information. To this end, PZU adheres to the provisions included in (among others) the Rules of PZU's Information Policy towards Capital Market Players and Correspondence Procedure in the Area of Investor Relations, Best Practices of the PZU Group, Rules for Managing Conflicts of Interest, and Principles of Ethics Applicable to Members of Corporate Bodies. • PZU ensures that shareholders have equal access to information, including such featured on shareholder meetings. All disclosures are published, among other places, under Polish and English-language Investor Relations in PZU's website. The Investors Relations has a separate tab dedicated only to Shareholding Meetings, where draft resolutions with justifications are posted each time a Shareholder Meeting is announced. • Shareholders have an impact on the PZU's operations by passing resolutions at the PZU Shareholder Meeting. Each PZU share entitles the holder to one vote at the General Meeting. However, PZU's Articles of Association limit the voting rights of shareholders in such a way that no shareholder other than the State Treasury may exercise more than 10% of the total number of votes existing in PZU at the Shareholder Meeting;

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
	• PZU's Articles of Association clearly define the competencies of the Management Board, Supervisory Board and Shareholder Meeting, ensuring the separation of ownership and management functions. As at the end of 2025, 9 out of 11 members of the Supervisory Board of PZU met the independence criteria laid down in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. • PZU does not provide the possibility of electronic active participation in the meetings of the Shareholder Meeting. PZU shareholders can follow the real-time broadcast of the Shareholder Meeting on the Internet, as well as watch the recording, which is published on the company's website immediately after the SM; • In the view of certain capital and personal links, PZU pays particular attention to the relationships and transactions within the PZU Tax Group and with related parties. For this purpose, it applies relevant policies and procedures. All transactions are performed in compliance with legal and tax requirements, in a transparent manner, meeting market standards and with documentation of transfer pricing to confirm that the prices used in transactions with related parties reflect the arm's length principle. • Decisions concerning the payout of dividend are taken in line with the Capital and Dividend Policy of the PZU Group and the recommendations of KNF. In line with the policy, PZU endeavors to maximize the rate of return on equity for the parent company's shareholders, in particular by maintaining the level of security and retaining capital resources for strategic growth objectives through organic growth and acquisitions. The amount of the dividend recommended by the Management Board is a minimum of 50% of the PZU Group's consolidated profit attributable to shareholders of the parent company. It amounted to 72% in 2025.
Chapter 3. Management	• The Management Board is a managing body at PZU and is collegial in nature. At the end of 2025 and as of the date of publication of the report, the Management Board consisted of 7 people. Management Board Members meet legal criteria (including those in the Insurance and Reinsurance Activity Act and Act on the Management of State Property), regulatory requirements, WSE BP 2021, and CGR. Management Board Members have the adequate level of knowledge, experience and skills to head the PZU business and their competencies complement each other allowing for a collegial level of management. The Supervisory Board assesses and reassesses the suitability of candidates for and members of PZU Management Board - individually and jointly. Verification is based on the criteria of competence, guarantee (of reputation and reliability), independent judgment (including no conflict of interest) and sufficient time dedication to the position of the Management Board Member. The individual suitability assessments of PZU Management Board Members conducted in 2025 confirmed that all Members of the Management Board had adequate knowledge and skills and meet all the suitability criteria necessary to hold their positions. • The Management Board is the sole body authorized to manage PZU's operations and the sole to be responsible for it. The Management Board acts in the interest of PZU, in accordance with the Management Board's Rules and Regulations, guided by law, recommendations of supervisory authorities, and internal regulations, having the safety of the Company in its mind. • The President of the Management Board directs the work of the Management Board. The Management Board Members are jointly responsible for the decisions which are reserved for their remit, regardless of the internal division of responsibility for the respective areas of operations. The PZU Management Board Members exercise oversight with respect to processes within their areas. The scopes of the areas supervised by individual Management Board Members are clearly and unambiguously defined in the Order of the President of the PZU Management Board on organizational oversight performed in the Company by PZU Management Board Members. • Management Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU's operations, or adversely affect their reputation as a Management Board Member. The rules for identifying, managing and preventing conflicts of interest and the rules for excluding a member of the managing body in the event of a conflict of interest or the possibility of a conflict of interest are laid down in the Management Board's Rules and Regulations and the Code of Ethics for Members of Management Boards of PZU Group Companies.
Chapter 4. Supervising body	• The Supervisory Board is a supervising body at PZU. Members of the Supervisory Board meet legal criteria (including those in the Insurance and Reinsurance Activity Act and Act on the Management of State Property), regulatory requirements, WSE BP 2021, and CGR. Supervisory Board Members have the adequate level of knowledge, experience and skills to supervise the PZU business and their competencies complement each other allowing for a collegial level of oversight. The Shareholder Meeting assesses and reassesses the suitability of candidates for and members of the Supervisory Board - individually and jointly. Verification is based on the criteria of competence, guarantee (of reputation and reliability), independent judgment (including no conflict of interest) and sufficient time dedication to the position of the Supervisory Board Member. In 2025, all members of the Supervisory Board and the Supervisory Board as a body had a positive suitability assessment. • The Supervisory Board permanently and continually supervises PZU's operations in all areas and may undertake necessary supervisory action in an ongoing manner. The competences of the Supervisory Board are regulated by the Articles of Association and the Rules and Regulations of the Supervisory Board. The Supervisory Board and respective Members thereof are guided by objective assessment and judgment, and among others may avail themselves of the services of experts and advisory companies. • The Chair of the Supervisory Board directs the work of the Supervisory Board. At the end of 2025 and as of the date of publication of the report, the Supervisory Board consisted of 11 people. 9 Members of the Supervisory Board met the independence criteria laid out in the Act on Statutory Auditors, Audit Firms and Public Supervision (including all Members of the Audit Committee). • The Audit Committee of the Supervisory Board, in accordance with its Rules and Regulations, monitors the performance of auditing activities at PZU based on the principles and schedule agreed upon in advance with the auditor, in particular the performance of the audit by the audit firm, taking into account any conclusions and findings of the Polish Audit Supervision Agency. In 2025, the Audit Committee made the assessment of: ○ PZU's financial statements and the PZU Group's consolidated financial statements for the year which ended on 31 December 2024, and the Management Board's report on the activity of the PZU Group and PZU in 2023, with the report on non-financial information;

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
	○ the solvency and financial condition report of PZU and PZU Group for the year which ended on 31 December 2024; • Supervisory Board Members exercise their functions actively, as testified to by the number of and high attendance rate at sessions of the Supervisory Board and separately held sessions of the Supervisory Board Committees in 2025. The competences, qualifications, and professional experience of the Management Board Members and their guarantee of due oversight ensure the due performance of the Supervisory Board's duties. • Supervisory Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU's operations, or adversely affect their reputation as a Supervisory Board Member. The rules for identifying, managing and preventing conflicts of interest concerning PZU Supervisory Board Members have been set out in the Code of Ethics for PZU Supervisory Board Members. • The PZU Supervisory Board assesses compliance with CGR, and the statement in this regard is included in the PZU Supervisory Board's annual report, made available at (https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego)
Chapter 5. Compensation policy	• The rules for compensating Management Board and Supervisory Board Members are regulated by the Compensation Policy for Members of the PZU SA Management and Supervisory Boards, adopted by the Shareholder Meeting in 2020. On 7 June 2023, the Ordinary Shareholder Meeting introduced a provision in the Policy stating that the Policy also aims to ensure that sustainability requirements are properly integrated into the risk management process at the PZU Group level. • The compensation rules for PZU employees are regulated by the PZU Compensation Policy adopted by the PZU Management Board in 2016. The Policy was updated in 2022, in particular, to clarify how the Policy incorporates ESG risks included in the risk management system. • The Supervisory Board prepared the Report on the Compensation Policy at PZU, which is a part of the Supervisory Board's Report for 2024, and presented it to the Ordinary Shareholder Meeting on 25 June 2025. The Supervisory Board assessed that the Company had properly carried out the adopted Policy with all compensation rules dedicated to the various groups of people forming the Company. The Shareholder Meeting reviewed and then approved the PZU Supervisory Board's Report for 2024. • The compensation of the Supervisory Board Members is determined by the Shareholder Meeting, and the compensation of the Management Board Members – by the Supervisory Board. The PZU Management Board establishes the Compensation Policy for persons who are PZU Group Directors at PZU and the Compensation Policy for senior management and Authorized Persons (as referred to in the Solvency II Delegated Regulation). • The Compensation Policy is not an incentive to take excessive risk within PZU's operations. The rules governing variable compensation aim to support proper and efficient risk management, discourage excessive risk-taking, and assist in the implementation of the PZU Group's Strategy. • The variable compensation of the Management Board Members for a given financial year depends on the level of achievement of the management objectives set by the Supervisory Board. In 2025, these included improving financial ratios (e.g., in the areas of revenue, cost efficiency, capital security, among others) and ESG goals (e.g., improving the NPS indicator, achieving the desired Gender Pay Gap Ratio, increasing employee engagement). 40% of the variable compensation is deferred for three consecutive years. A Management Board Member may acquire the right to 1/3 of the deferred compensation provided that during this period no circumstances arise that prove that the conditions for payment of a given portion of variable compensation have not been satisfied. In 2025, the Supervisory Board dealt with the payment of Deferred Variable Compensation for 2021–2022. • The compensation of the Management Board Members and persons exercising key positions is financed and paid out from PZU funds.
Chapter 6. Information policy	• PZU has a transparent information policy that takes into account the needs of investors and clients. The PZU website has a dedicated Investor Relations section aimed at capital market players. Communication with investors is carried out on the basis of the Rules of PZU's Information Policy towards Capital Market Players. The document, which is published on the PZU's website, includes the scope, manner and timing of disclosures, the principles and tools used in communication with capital market players, and incorporates regulations applicable to the status of a public company. The product section of the website presents, in a simple and accessible way, information on the main features of the products, as well as the General Terms and Conditions of Insurance and information supporting clients in their contact with PZU, including contact details and complaint handling rules. • Since 2014, PZU has published integrated interactive Annual Reports. They describe the most important events, achievements and plans of the PZU Group, and include tools for a multifaceted analysis of financial results, corporate events and macroeconomic data. The reports include interactive infographics, animations and video clips, which offer a succinct presentation of the PZU Group's activities. • PZU provides investors with equal access to information, among other things: it ensures proper execution of information obligations obligatory for listed companies, all materials after being sent to the WSE via the ESPI system are published immediately in Polish and English on the website in the Investor Relations section. • In addition to periodic reports required by law, PZU prepares quarterly performance presentations, which are published on the Investor Relations section of the website, along with financial data in Excel format and recordings of result conferences. PZU also posts on its website recordings of shareholder meetings and other important corporate events. • PZU's information policy with respect to capital market players specifies deadlines for responding to questions submitted by e-mail and telephone – PZU makes efforts to respond promptly, in the case of questions submitted by e-mail within 3 working days.
Chapter 7.	• PZU SA has internal regulations which cover, among other things, issues related to ensuring compliance of marketing activities with the law, in particular with the laws on competition and consumer protection and on combating unfair competition. PZU also applies the internal PZU Code of Ethics in Advertising, which is a collection of additional standards, independent of the law and the guidelines of the Financial Supervision Commission.

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
Promotional activities and client relations	• The Marketing Department uses the practice of verification of planned marketing messages prior to their publication in terms of their transparency, authenticity and accuracy of information contained therein with other PZU entities. The marketing activities are particularly consulted with the Legal Department and the Compliance Department (for compliance risk, including compliance with the law – risk of misleading the consumer, use of messages infringing the addressees' interests) and pertinent departments responsible for a given product (consistency of the message with the facts – risk of misleading consumers). • PZU applies the "Principles regarding the product management system" defining the key requirements and activities to be performed at each stage of the product life cycle to ensure that the developed and distributed products meet the needs and requirements of the target client groups. Products, prior to their launch, are reviewed for compliance with regulatory and supervisory requirements, including those relating to consumer protection. • Prior to the sale of insurance products, customers are provided with information required by law, including, among other things, an insurance product information document. • PZU endeavors to make communication with clients simple and understandable. It makes sure that the content is linguistically correct, well-designed and understandable; that is useful and does not raise any doubts. • The process and rules for handling complaints, including issues of timeliness and quality of processing of client requests, are defined in PZU's internal regulations. The rules for handling complaints are available on the PZU website ((https://www.pzu.pl/kontakt-i-pomoc/skargi-reklamacje/jak-rozpatrujemy-skargi-reklamacje). • Since 2017, PZU has had a Client Ombudsman, who, among other things, participates in mediations before the Financial Ombudsman and the KNF, and conducts individual meetings and negotiations with clients on disputes. In addition, a Health Ombudsman position was established in 2020; the Health Ombudsman, among other things, conducts individual meetings and negotiations with clients on health insurance disputes.
Chapter 8. Key internal systems and functions	• PZU has an internal control system in place, adjusted to the scale of its operations and its organizational structure. It is aimed at ensuring the effectiveness and efficiency of operations, reliable reporting, especially financial reporting, compliance of the company's operations with laws, internal regulations and standards of conduct, and adherence to risk management rules. • A Compliance Department has been separated at PZU in terms of organization and competence, which performs tasks in ensuring compliance of the insurance company's activities with the law and internal regulations; • An effective internal audit function operates at PZU, which involves a regular and orderly assessment of the adequacy and effectiveness of the internal control system and other components of the management system. • PZU ensures the objectivity and independence of the internal audit and compliance functions. The Managing Director on Audit, who heads the Internal Audit Department, reports functionally to the Audit Committee of the Supervisory Board and organizationally to the President of the Management Board (the person delegated to temporarily perform the activities of the President of the Management Board). Appointment and dismissal of a person to head the Internal Audit Department requires the opinion of the Audit Committee of the Supervisory Board. The Managing Director on Regulations, who manages the Compliance Department, organizationally reports to the President. Appointment and dismissal of a person to head the Compliance Department requires the opinion of the Audit Committee of the PZU Supervisory Board. The Managing Director on Audit and the Managing Director of Regulatory Affairs attend meetings of the Audit Committee of the Supervisory Board and the Management Board, and have the opportunity to report and communicate directly with Members of the Management Board and the Supervisory Board. • PZU has an adequate and effective risk management system. The Management Board is responsible for organizing and ensuring the operation of this system. The risk management process also involves committees operating at PZU, which make decisions on limiting the level of individual risks to the framework set by the risk appetite. • The Audit Committee of the Supervisory Board supervises and monitors the effectiveness of the internal control, internal audit and risk management systems within the framework of the decisions set forth in the 's Articles of Association and the Rules and Regulations of the Supervisory Board.
Chapter 9. Exercise of rights from assets acquired at the client's risk	• PZU does not offer products that involve asset management at the client's risk.

The rules that PZU meets in part

Chapter	Justification for partial application
Chapter 2. The rule laid down in § 8 section 4 of the Corporate Governance Rules reading as follows: "The supervised institution, when justified by the number of shareholders, should strive to facilitate the participation of all shareholders in the meeting of the	• PZU applies the principle partially, as it has not introduced the option of active electronic participation (e-GM). The deviation results from the absence of shareholder expectations regarding the organisation of General Meetings in such a format, even though the Company would be able to ensure the technical conditions for conducting such a meeting if such needs were reported. • At the same time, PZU effectively facilitates shareholder participation in the General Meeting by:

Chapter	Justification for partial application
constituent body of the supervised institution, including by providing opportunities for electronic active participation in meetings of the constituent body.”	○ broadcasting the meeting in real time over the Internet, ○ making recordings of the meeting available on the Company’s website, ○ organising GMs at PZU’s headquarters in Warsaw, on business days and at times that allow convenient access for most shareholders, which in practice significantly increases the availability of the meetings for interested parties. • In PZU’s assessment, the current solutions effectively address shareholder needs and provide them with both real-time access to the course of the meeting and the possibility of uninterrupted physical participation in General Meetings. • The deviation is not permanent — it may be lifted if shareholders express the need to organise an e-GM.
Chapter 4. The rule laid down in § 21 section 2 of the Corporate Governance Rules reading as follows: “In the composition of the supervising body, there should be a separate function of a chairperson who directs the work of the supervising body. The election of the chairperson of the supervising body should be based on experience and leadership skills, taking into account the criterion of independence.”	• PZU applies the principle partially. In accordance with the Commercial Companies Code and the PZU Statute, the position of Chair of the Supervisory Board is distinguished within the composition of the Supervisory Board. The composition of the PZU Supervisory Board, including the appointment to the position of Chair, is determined taking into account the independence criteria set out in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight. The choice of the Chair of the Supervisory Board is made on the basis of the individual’s knowledge, experience and ability to direct the work of the body, which collectively confirm the competencies necessary for the proper performance of supervisory functions. • However, applying the independence criterion to the Chair of the Supervisory Board — according to the explanation provided by the Polish Financial Supervision Authority (UKNF) — may raise concerns regarding a potential conflict with legal provisions governing the rights of majority shareholders, particularly the State Treasury, to shape the composition of the supervisory board in a public company. Statutory regulations — in particular the Commercial Companies Code and sector-specific laws — grant shareholders full discretion in nominating candidates and selecting members of the supervisory board, from whom the Chair is then elected. Imposing an obligation to ensure the independence of the Chair could, in practice, restrict shareholders’ rights to determine the composition of the supervisory board, thereby potentially violating the fundamental principle of the freedom to exercise shareholder rights. • In its explanations, the UKNF notes that interpreting § 21(2) of the principle as requiring the Chair to obligatorily meet independence criteria is not justified in situations where other members who are not independent possess greater experience in leading the work of the body as well as professional competencies more significant from the perspective of the supervised institution. The assessment of whether the independence criterion should be applied to the Chair of the Supervisory Board should take into account not only good corporate governance practices but also the binding legal framework concerning shareholder influence over the appointment of key positions within the supervisory board. • The purpose of the principle — namely, ensuring competent and effective leadership — is achieved by PZU through the nomination procedures and professional criteria applied. The deviation arises solely from legal constraints and remains in place as long as the applicable laws grant shareholders full discretion in shaping the composition of the Supervisory Board.
Chapter 8. The rule laid down in § 49 section 3 of the Corporate Governance Rules reading as follows: “In a regulated institution, the appointment and removal of the head of the internal audit function and the head of the compliance function shall be made with the approval of the supervising body or the Audit Committee.”	• Full application of the principle is impossible due to the applicable legal provisions, under which employment-law activities, including the appointment and dismissal of heads of the internal audit and compliance units, fall within the competence of the Management Board as the body responsible for managing the company’s affairs. • PZU applies the principles set out in § 14 of the Corporate Governance Principles in full, which means that the PZU Management Board is the sole body authorised and responsible for conducting the Company’s affairs and managing its operations. Moreover, under labour law, employment-related actions with respect to employees — including appointments and dismissals for managerial positions — fall within the competence of the management body. • In view of the statutory conditions described above and the structure of the corporate governance model, PZU applies an alternative solution that fulfils the objective of the principle. Under this solution, the appointment and dismissal of the person heading the internal audit function is carried out after obtaining the opinion of the Audit Committee of the Supervisory Board. This ensures full involvement of the supervisory body in the assessment of the candidate while maintaining compliance with legal provisions, under which the final decision is taken by the Management Board. • An analogous mechanism applies to the appointment and dismissal of the person heading the compliance function. In this case as well, the PZU

Chapter	Justification for partial application
	Management Board makes its decision after obtaining the opinion of the Audit Committee of the Supervisory Board, which guarantees an appropriate level of independent oversight and control over key functions from the perspective of the risk management and compliance system. • The adopted model ensures both: o full compliance with the statutory competences of the Management Board, o genuine involvement of the supervisory body, through the Audit Committee, in the staffing of positions heading key functions. • The deviation is permanent in nature, as it results from the statutory allocation of competences.

Rules waived by PZU AGM

Chapter	Justification for waiving the rule
Chapter 2. The rule laid down in § 10 section 2 of the Corporate Governance Rules reading as follows: “The implementation of personal rights or other special rights for shareholders of the regulated institution should be justified and serve the accomplishment of the regulated institution’s material operating goals. The possession of such rights by shareholders should be reflected in the wording of the primary governing document of the regulated institution.”	• The PZU General Meeting departed from applying the principle. The Statute grants the State Treasury a special right consisting of appointing and dismissing one member of the Supervisory Board. This right expires automatically once the State Treasury ceases to be a shareholder of the Company. • The deviation is permanent in nature, as it arises from the binding provisions of the Statute. • This solution is intentional and justified, and its functioning is in the interest of the Company. The State Treasury is a stable, long-term shareholder representing the public interest in a sector of particular importance for the financial market and for customer security. Granting such a shareholder a limited personal right provides the Company with an additional level of supervisory stability and enables more effective dialogue between the largest shareholder and the Supervisory Board. As a result, it strengthens the continuity of supervision, the predictability of corporate processes, and the protection of the interests of all shareholders, including minority shareholders. • At the same time, this right is proportional and conditional — it is strictly linked to holding shareholder status and expires automatically upon disposal of the shares. This ensures compliance with corporate governance principles, transparency of regulation, and respect for the balance between special rights and the interests of the shareholder body as a whole.
Chapter 2. The rule laid down in § 12 section 1 of the Corporate Governance Rules reading as follows: “Shareholders are responsible for recapitalizing without delay a regulated institution in a situation in which it is necessary to maintain the regulated institution’s equity at the level required by the legal regulations or oversight regulations as well as when the security of the regulated institution so requires.”	• **PZU does not apply the principle**, because the decision on applying a principle concerning the obligation to promptly recapitalise a supervised institution lies exclusively with the shareholders, with full consideration of the generally applicable legal provisions. Pursuant to Article 301 § 4 and 5 of the Commercial Companies Code, shareholders of a joint-stock company are obliged only to provide the contributions expressly specified in the statute and are not liable for the company’s obligations. This means that imposing an additional obligation on shareholders to recapitalise the company — exceeding statutory obligations — would be inconsistent with the principle of limited shareholder liability. • Consequently, the introduction of the principle arising from § 12(1) may only take the form of a voluntary commitment by the shareholders, the adoption of which would require an autonomous decision of the General Meeting, in full compliance with the Commercial Companies Code and the principle of protection of shareholder rights. It is the shareholders who must assess whether they wish to assume such an additional responsibility — even if it is presented as an element of good supervisory practice. • **The objective of the principle — capital security — is achieved through Solvency II regulations and KNF supervision.** The existing capital and supervisory regulations ensure an adequate level of financial security for the company, and any potential recapitalisation, should it be necessary, may be carried out in accordance with the procedures provided for under the applicable law, without the need to introduce additional, extra-statutory shareholder obligations. • **The deviation is permanent**, as long as the legal provisions concerning shareholder liability remain unchanged

Chapter	Justification for waiving the rule
Chapter 5. The rule laid down in § 28 section 4 of the Corporate Governance Rules reading as follows: “The decision-making body assesses whether the implemented compensation policy fosters the regulated institution’s development and operating security.”	• PZU does not apply the principle set out in § 28(4) directly, because the assessment of the remuneration policy for persons performing key functions — who are not members of the supervisory or management body — belongs, under the applicable legal provisions and the structure of the corporate governance model, to their employer or principal, i.e. the Company represented by the Management Board and overseen by the Supervisory Board. The constitutive body (the General Meeting) does not have statutory competence to assess the remuneration policy for this category of employees. • The objective of the principle is achieved through alternative mechanisms. In practice, the assessment of whether the remuneration policy supports the development and operational security of PZU is carried out within the existing allocation of competences by the appropriate bodies. The Management Board performs an annual assessment and review of the Remuneration Policy, prepares a report on its implementation together with recommendations, and submits it to the Supervisory Board. The Supervisory Board — in particular through the Audit Committee — supervises the application of the Policy and assesses its impact on PZU’s safety and development. The General Meeting, in turn, issues an opinion on the remuneration report and adopts the Remuneration Policy at least once every four years. This mechanism ensures a multi-level assessment of the Policy’s adequacy and its alignment with PZU’s objectives. • In addition, PZU fulfils a number of obligations related to the assessment of the remuneration policy for members of statutory bodies. Pursuant to Article 90g of the Act of 29 July 2005 on Public Offering, the Supervisory Board prepares an annual report on the remuneration of the members of the Management Board and the Supervisory Board, and the General Meeting adopts a resolution on issuing an opinion on this report. Moreover, the Remuneration Policy for the Management Board and the Supervisory Board of PZU — adopted by Resolution No. 36/2020 of the General Meeting on 26 May 2020 and amended by Resolution No. 65/2023 on 7 June 2023 — is subject to an annual review conducted by the Management Board. The report on the implementation of the Policy, as well as any recommendations for changes, is submitted to the Supervisory Board. • Additionally, both the Statute and the Policy itself stipulate that the resolution of the General Meeting concerning the Remuneration Policy must be adopted at least once every four years, ensuring regular oversight, compliance with legal requirements and high transparency of remuneration rules for the governing bodies. • In light of the above, PZU considers that the existing internal and external regulations ensure an appropriate, lawful and adequate level of oversight of the remuneration policy, although not in the form specified in § 28(4). • The deviation is permanent, due to the limitations and competences of the General Meeting described above.

Rules whose fulfillment does not apply to PZU

Chapter	Reasons
Chapter 2. The rule laid down in § 11 section 3 of the Corporate Governance Rules reading as follows: “In the event that the decision-making body makes a decision concerning a transaction with a related party, all shareholders should have access to all information required to assess the conditions on which it is implemented and its impact on a regulated institution’s standing.”	• At PZU, the Shareholder Meeting does not make decisions on transactions with related parties;
Chapter 8. The rule laid down in § 49 section 4 of the Corporate Governance Rules reading as follows: “In a regulated institution in which there is no audit or compliance cell, the rights ensuing from sections 1-3 are vested in the persons responsible for performing these functions.”	• There are departments in PZU that are competent for: internal audit, compliance.
Chapter 8. The rule laid down in § 52 section 2 of the Corporate Governance Rules reading as follows: “In a regulated institution in which there is no audit or compliance	• There are departments in PZU that are competent for: internal audit, compliance.

cell or no cell responsible for this area has been designated, the information referred to in section 1 shall be conveyed by the persons responsible for performing these functions.”	
Chapter 9. Exercise of rights from assets acquired at the client’s risk	• PZU does not offer products that involve asset management at the client’s risk.

7.1.3. Application of other corporate governance other rules

Best Insurance Practices

The set of principles expressed in the Best Insurance Practices adopted on 8 June 2009 by the General Assembly of the Polish Chamber of Insurance (PIU) (as amended) informs how PZU conducts its business operations and shapes relations with its stakeholders. This document defines the rules of corporate social responsibility in respect to relations between insurance and customers, insurance intermediaries, the regulatory authority and the Financial Ombudsman, the media and in public securities trading. By applying the Best Insurance Practices, PZU conducts regular efforts to develop insurance awareness in the public at large.

Best Practices of the PZU Group

PZU has also developed its own code defining the principal ethical standards governing the Company’s behavior in relations with its stakeholders. The Best Practices of the PZU Group are a set of standards followed by all members of the PZU Group. The values and principles described in the document relate to such issues as conflict of interest, handling sensitive information, corruption and gift policy, reporting ethical problems, rules of cooperation with business partners, and disclosures. The obligation of abiding by the enacted standards pertains to all PZU Group employees, regardless of seniority or position.

Best Practices of the PZU Group

The Best Practices of the PZU Group sets out norms and standards of conduct in relations with employees, clients, contractors and local communities. They are based on the following principles:

- contacts with clients are based on trust;
- we inform clients about the PZU Group offering honestly and reliably;
- we protect everyone’s personal data, in particular the data of our clients, employees, business partners and users of our websites;
- we base decisions to cooperate with suppliers only on objective criteria of price, quality, technical parameters and suitability;
- we comply with the law when entering into contracts, in particular with the principles of fair competition and consumer protection;
- in our daily business choices and decisions, we are guided by the principles of conflict of interest management, which we constantly monitor;
- we do not tolerate corruption. We act ethically and in accordance with the law when performing our business tasks and cooperating with our business partners. We do not give or accept impermissible presents or benefits in relations with business partners, their employees and agents or other third parties;
- prevention and sponsorship activities may only be carried out in accordance with applicable laws and the rules set forth in the PZU Group’s internal regulations;
- employees may not use the name of the PZU Group in any projects or initiatives of a political nature. It is forbidden to support candidates and political parties with funds that are owned by the PZU Group.

7.2. Information policy and communications with investors

7.2.1. Shareholders and the issuer's securities

7.2.1.1. PZU's shares

PZU's share capital is divided into 863,523,000 ordinary shares with a nominal value of PLN 0.10 each giving the right to 863,523,000 votes at the Shareholder Meeting.

Significant equity stakes in PZU

As at 31 December 2024 and 1 January 2025, the only shareholder of PZU holding a significant shareholding (at least 5%) was:

- The State Treasury of the Republic of Poland, holding 295,217,300 shares, i.e., 34.19% of the share capital.

As at 31 December 2025, PZU shareholders holding significant equity stakes (at least 5%) were the following:

- The State Treasury of the Republic of Poland that holds 295,217,300 shares constituting 34.19% of PZU's share capital and giving it the right to 295,217,300 votes at the Shareholder Meeting;
- BlackRock, Inc. that holds 43,209,557 shares, constituting 5.00% of PZU's share capital, giving it the right to 43,209,557 votes at the Shareholder Meeting;

2025 changes in the structure of shareholders holding significant equity stakes in PZU (at least 5%):

- On 21 May 2025, PZU was notified by BlackRock, Inc. that as a result of the acquisition of PZU SA's shares on 15 May 2025, the total shareholding of BlackRock, Inc. in the share capital and in the total number of votes at the General Meeting of Shareholders of PZU SA ("GMS") amounted to 5% as of 20 May 2026.
- On 21 October 2025, PZU SA was notified by BlackRock, Inc. that as a result of the sale of PZU SA's shares on 20 October 2025, the total shareholding of BlackRock, Inc. in the share capital and the total number of votes at the Shareholder Meeting of PZU SA was 4.99% as of 21 October 2025.
- On 22 October 2025, PZU SA was notified by BlackRock, Inc. that as a result of the acquisition of PZU SA shares on 21 October 2025, BlackRock, Inc.'s total shareholding in the share capital and the total number of votes at the Shareholder Meeting of PZU SA reached 5% as of 22 October 2025.

Entitlements and restrictions on PZU shares

All of PZU's shares are ordinary shares, without any preference, including control rights. Each share carries one vote at the Shareholder Meeting and the same right to dividends.

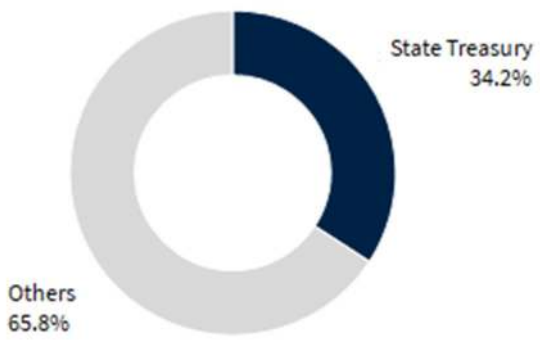
However, the Articles of Association of PZU provide for a limitation of voting rights – no shareholder (expect The State Treasury) may exercise more than 10% of the total number of votes at the Shareholder Meeting. This restriction does not apply in determining obligations to acquire significant shareholdings under the Act on Public Offerings and the Insurance and Reinsurance Activity Act.

The following are excluded from the restriction of voting rights:

- shareholders who held more than 10% of the votes on the date of the resolution implementing the restriction (i.e., the State Treasury);
- shareholders interacting with them on the basis of agreements on the joint exercise of voting rights.

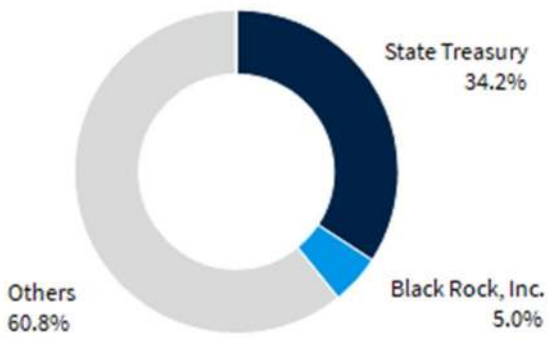
	Number of shares and votes at the Shareholder Meeting		Shareholding and share in the total number of votes at the SM	
Shareholders holding significant equity stakes	**1 January 2025**	**31 December 2025**	**1 January 2025**	**31 December 2025**
State Treasury	295,217,300	295,217,300	34.19%	34.19%
BlackRock, Inc.	n/a	43,209,557	n/a	5%
Other	568,305,700	525,096,143	65.81%	60.81%
Total	**863,523,000**	**863,523,000**	**100.00%**	**100.00%**

PZU shareholder structure as of 1 January 2025



Source: Current report 25/2024

PZU shareholder structure as of 31 December 2025



Source: Current report 38/2025

For the purpose of applying the limit, the votes of shareholders related by dominance or dependence are aggregated in accordance with the Articles of Association. These restrictions will expire when the State Treasury's stake in PZU's capital falls below 5%.

The PZU Management Board does not have information about executed agreements as a result of which changes may transpire in the future in the equity stakes held by its shareholders and bondholders to date.

PZU did not issue, redeem or repay any debt or equity securities and did not issue any securities that would provide its shareholders with special control rights.

In 2013–2025, PZU did not have any employee stock programs in place.

Limitations on transferring the title to the issuer's securities

The PZU Articles of Association contain no provisions restricting the transfer of the title to the issuer's securities (either shares or bonds). Nor are there any other known limitations arising from documents other than the Articles of Association that would be applicable in this context, except for limitations resulting from generally applicable laws in precisely defined situations, in particular:

- restrictions resulting from the provisions of the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies), that is:
  - from Article 75(4) – shares encumbered with a pledge, until the date of its expiration, may not be traded, except in a situation where the acquisition of such shares takes place in the performance of an agreement on the establishment of financial security within the meaning of the Act of 2 April 2004 on Certain Forms of Financial Security,
  - from Article 88a – temporary limitations on the direct or indirect acquisition of or subscription for shares in a public company by an entity required to perform the obligations specified in Article 73(1) of the Act, which in the company in question exceeded the threshold of the total number of votes specified in these regulations – until the date of fulfillment of such obligations;
- restrictions under Article 362 of the Act of 15 September 2000 – Commercial Company Code (consolidated text: Journal of Laws of 2024, items 18, 96), regarding the prohibition of the acquisition of treasury shares by the issuer, except for the cases specified therein and limitations on the acquisition of the parent company's treasury shares by a subsidiary company or a subsidiary cooperative and persons acting on their behalf;
- restrictions pertaining to the closed period referred to in Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR) and insider dealing within the meaning of the provisions of MAR;
- possible objection by the regulatory authority, in the form of a decision, to the acquisition of or subscription for shares or rights attaching to shares in a domestic insurance undertaking in a quantity ensuring the achievement or exceeding of, as the case may be, one-tenth, one-fifth, one-third, one-second of the total number of votes at the Shareholder Meeting or of a stake in share capital – in accordance with Article 90(1) of the Act of 11 September 2015 on Insurance and Reinsurance Activity (consolidated text: Journal of Laws of 2025, item 1526), if:
  - the entity submitting the notification referred to in Article 82(1) failed to remove the deficiencies in its notification or in the documents or information attached to the notification within the prescribed time limit,
  - the entity submitting the notification referred to in Article 82(1) failed to provide additional information or documents required by the regulatory authority within the prescribed time limit,
  - it is justified by the need of prudent and stable management of the domestic insurance undertaking due to a possible impact of the entity submitting the notification referred to in Article 82(1) on the domestic insurance undertaking or due to the assessment of the financial standing of the entity submitting the notification;
- possible setting of a time limit for the acquisition of or subscription for shares or rights attaching to shares, by the regulatory authority, in accordance with Article 90(4) and (5) of the Act referred to in item 4, in a decision declaring the absence of grounds for filing an objection;
- possible issuance, by the regulatory authority, in accordance with Article 98(5) of the Act referred to in item 4, of a decision requiring the disposal of shares within the prescribed time limit in the event that the authority issues a decision prohibiting the exercise of voting rights attaching to shares in a domestic insurance undertaking for the reasons specified in Article 98(1) of this Act;
- prohibition to sell shares or rights attaching to shares held by the State Treasury under Article 13(1)(27) of the Act of 16 December 2016 on Rules for Managing State Property (consolidated text: Journal of Laws 2024, items 125, 834, 1823, 1897, 1940), except as provided for in Article 13(2)(1) of this Act.

7.2.1.2. PZU's bonds

As at 31 December 2025, PZU held subordinated bonds (ISIN PLPZU0000037) worth PLN 2.25 billion, bearing interest at WIBOR6M + 180 bps., issued on 30 June 2017. The maturity date for these bonds is 29 July 2027, or 10 years after issue with an early redemption option 5 years after the issue date. The bonds are listed on the Catalyst ASO WSE/Bondspot. The bonds will remain to be redeemed on 29 July 2027.

Number and nominal value of PZU shares and shares in affiliates held by managing and supervising persons

As of 31 December 2025 and as of the date of this Management Board's activity report for 2025, PZU shares were held by four persons serving as members of the Management Board (Maciej Fedyna, Tomasz Kulik, Tomasz Tarkowski, Jan Zimowicz) and two persons serving as members of the Supervisory Board (Adam Uszpolewicz and Jaroslaw Antonik). Shares or interests in PZU-related entities (i.e., shares in Bank Pekao) were held by one person serving as a member of PZU's Management Board (Maciej Fedyna).

The other members of the Management Board and Supervisory Board did not hold any shares in PZU or entitlements thereto, or shares in related parties, both as of the date of this annual report and as of 31 December 2025.

Number and nominal value of PZU shares held by management and supervisory personnel	31 December 2024		31 December 2025		as of the date of publication of the report	
	number of shares	total nominal value of the shares	number of shares	total nominal value of the shares	number of shares	total nominal value of the shares
PZU Management Board Members						
Maciej Fedyna	300	PLN 30.00	300	PLN 30.00	300	PLN 30.00
Tomasz Kulik	2,847	PLN 284.70	7,847	PLN 784.70	7,847	PLN 784.70
Tomasz Tarkowski	830	PLN 83.00	830	PLN 83.00	830	PLN 83.00
Jan Zimowicz	n/a	n/a	1,520	PLN 152.00	1,520	PLN 152.00
PZU Supervisory Board Members						
Adam Uszpolewicz	5,150	PLN 515.00	5,150	PLN 515.00	5,150	PLN 515.00
Jarosław Antonik	n/a	n/a	150	PLN 15.00	150	PLN 15.00

Number and nominal value of subsidiaries shares held by management and supervisory personnel	31 December 2024		31 December 2025		as of the date of publication of the report	
	number of shares	total nominal value of the shares	number of shares	total nominal value of the shares	number of shares	total nominal value of the shares
Bank Pekao shares:						
Maciej Fedyna – Member of the PZU Management Board	20	PLN 20.00	20	PLN 20.00	20	PLN 20.00
Andrzej Klesyk – President of the PZU Management Board	400	PLN 400.00	n/a	n/a	n/a	n/a

7.2.2. Investor Relations

Striving to achieve the greatest possible transparency, the Management Board of PZU has regularly undertaken various investor relations activities aimed at ensuring equal access to information in accordance with the internally-adopted „Principles for PZU to Conduct its Information Policy for Capital Market Participants".

PZU's shareholder structure

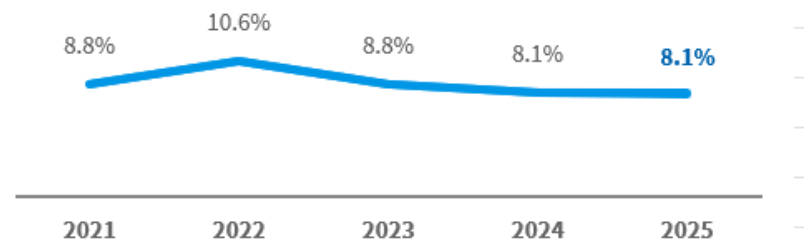
According to a survey carried out in 2025, PZU's shareholder structure was stable in terms of the breakdown of stakes and geographies. The largest stakes, as in previous years, were held by investors from Europe, with Polish investors dominating.

In the global structure (excluding the State Treasury and individual investors), the share of investors from the US decreased slightly (less than 1% y/y), while the involvement of investors from China increased.

As at the end of 2025, the stake of open-end pension funds (OFE) and mutual fund management companies (TFI) in PZU's shareholder structure was 12.4% (down 0.6 p.p. y/y) and 4.5% (down 0.9 p.p. y/y), respectively.

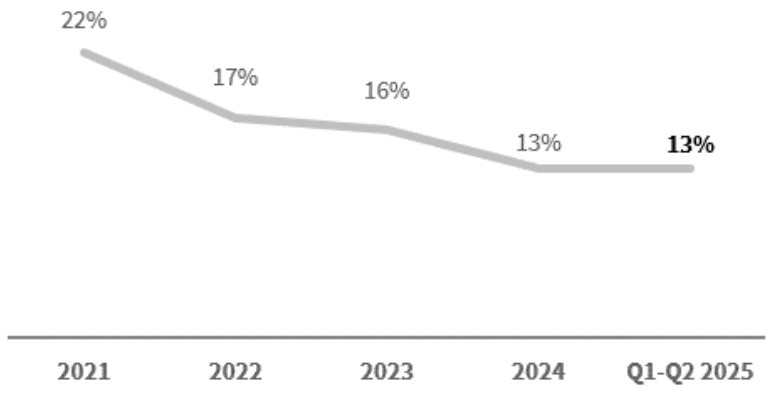
The percentage of retail investors in PZU's shareholder structure was 8.1% (no change y/y) at the end of 2025. An analogous trend was observed on the entire main market of the WSE, where the share of individual investors remained at 13% (data after Q2 2025).

Stake of retail investors in the PZU shareholder structure



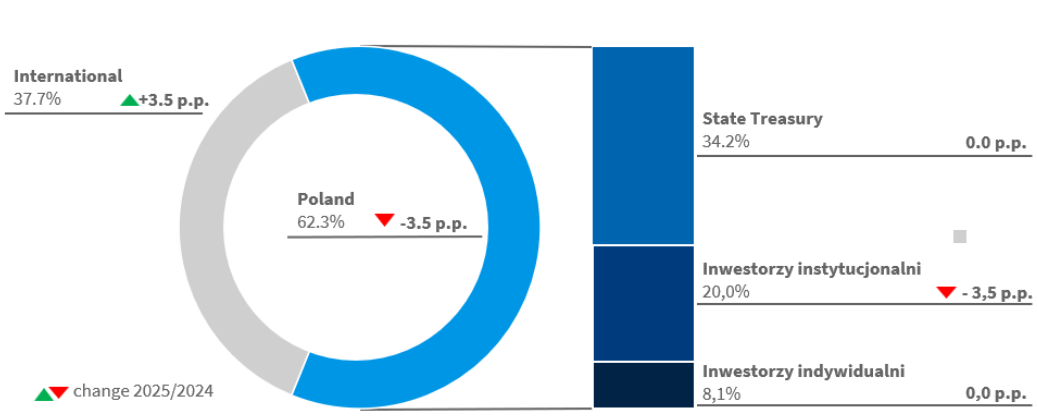
Source: PZU

Percentage of retail investors in trades on the main market of WSE



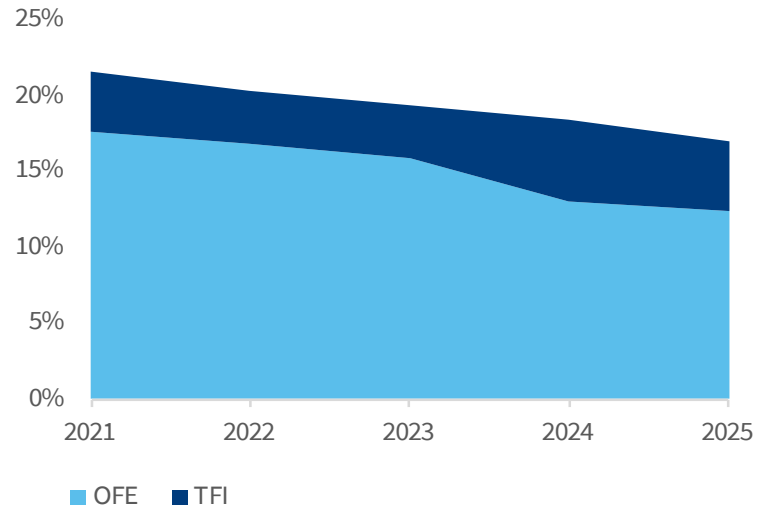
Source: https://www.gpw.pl/analizy

Main groups of investors



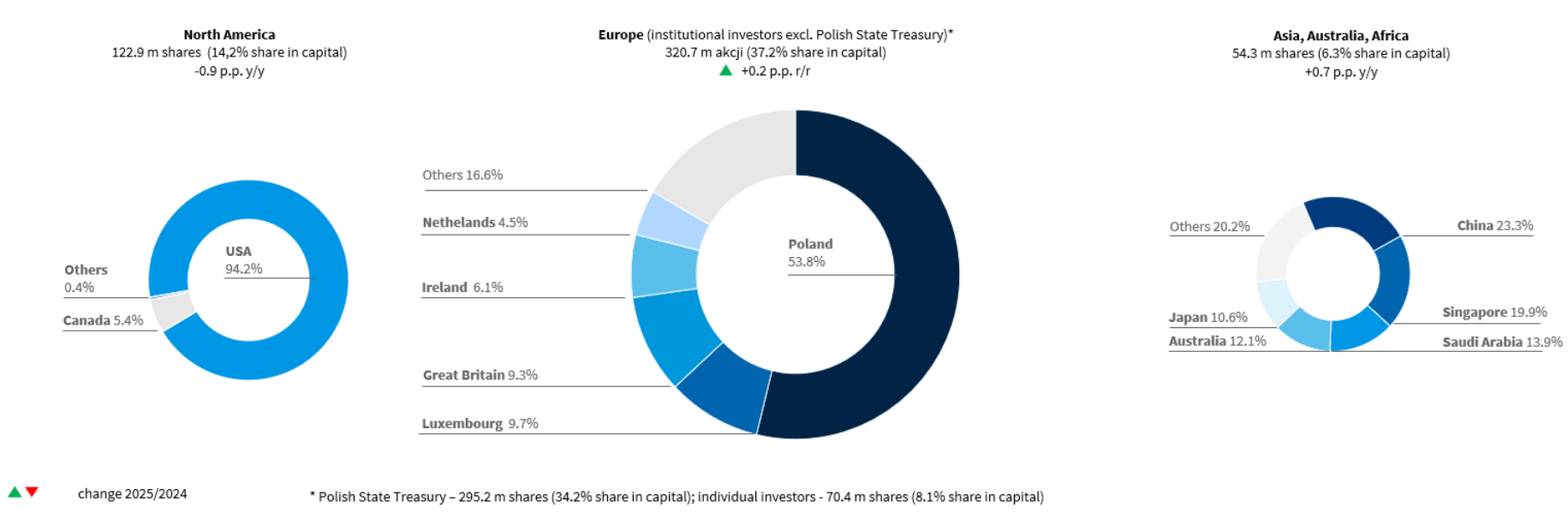
Source: PZU

OFE and TFI in structure



Source: PZU

Composition of shareholders by geography



Source: PZU

Financial results, shareholder meetings, strategy, Group reorganization

In 2025, key corporate events held with capital market participants in mind were transmitted live in the form of a webcast (with simultaneous translation into English). Quarterly financial performance was presented and discussed by the Group's Management Board at online conferences, during which their participants had the opportunity to ask questions. Recordings of these meetings are available on PZU's website in the "Investor relations" section: https://www.pzu.pl/relacje-inwestorskie/do-pobrania

2024 online interactive report

The most important events, achievements and plans were presented once again in the form of an online Annual Report at: https://raportroczny2024.pzu.pl/ https://raportroczny2024.pzu.pl/

Users have been provided with a comprehensive tool enabling a multi-directional analysis of corporate and macroeconomic events as well as financial results. The report included interactive infographics, animations and video clips, which offered a succinct presentation of the PZU Group's activity.

Selected activities targeting institutional investors

In 2025, PZU's representatives participated in 19 conferences (18 in 2024) held by global investment banks and brokerage houses in Poland. A total of over 93 individual and group meetings (102 in 2024) were held, attended by 226 portfolio managers and analysts (229 in 2024), representing investment and pension funds – investors from financial centers including Warsaw, London, and New York.

10 January 2025
Extraordinary Shareholder Meeting

21 January 2025
Extraordinary Shareholder Meeting

31 January 2025
Approach to implementing PZU Group strateg

27 March 2025
Presentation of results for 2024

15 May 2025
Presentation of results for Q1 2025

12 June 2025
PZU Group reorganization

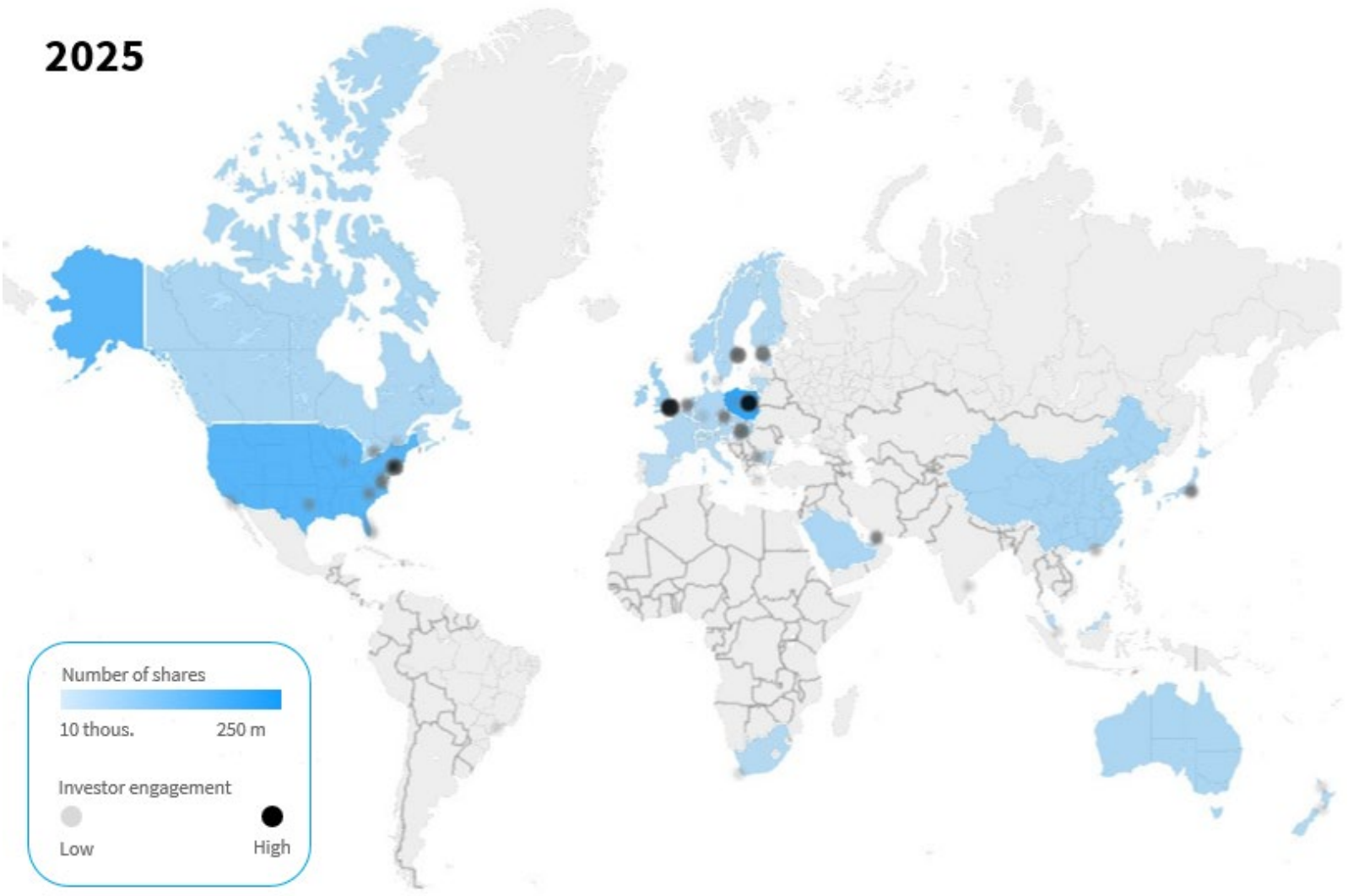
25 June 2025
Ordinary Shareholder Meeting

28 August 2025
Presentation of results for H1 2025

29 November 2025
Presentation of results for Q3 2025

23 December 2025
Extraordinary Shareholder Meeting

PZU investor interest by investment center in 2025



Source: PZU

Selected activities addressed to retail investors

In 2025, communication with individual investors was conducted using newsletters, factsheets, online reports, and other materials distributed by e-mail.

Those interested in information about PZU also had the opportunity to attend WallStreet conferences and investors chats:

- 29th WallStreet conference (the 15th in which PZU participated)
  organized by the Polish Association of Individual Investors in Karpacz. Conference participants had the opportunity to participate in a presentation and panel with the PZU Board Member responsible for the Financial Division, as well as meet and talk with PZU Investor Relations representatives;
- chats with the PZU Management Board member responsible for the Financial Division aimed at individual investors, which were organized after each publication of quarterly financial results and strategy announcement.

Loyalty program

In PZU there is "My PZU Shares" loyalty program for individual investors – mojeakcje.pzu.pl. Participants in the program, after meeting the conditions described in the program regulations, have the opportunity to receive benefits in the form of:

- 10%, and after one year of participation – 20% discount for the insurance of: a vehicle (TPL, MOD, ADD Max), home, travel, crop, accident;
- 100% discount for annual basic membership or 50% discount for annual extended membership in the Polish Association of Individual Investors;
- access to specially prepared materials about PZU's fundamental analysis.

Prizes and distinctions for IR activities

PZU's investor relations activities are highly regarded by investors, analysts and the media. Proof is in the awards and prizes awarded, including:

- in "The Best Annual Report 2024" competition, which is organized by the Institute of Accounting and Taxation and awards the best reporting companies in Poland:
- special award "The Best of the Best" (for the seventh time);
- awarded in the "Activity report" category for the best report in the financial industry, which presents the Group's strategy, results and prospects in a transparent and integrated manner, delivering superior value to investors and shareholders.
- in the 2025 Extel Emerging EMEA Executive Team ranking, considered a global benchmark for assessing the effectiveness and professionalism of investor relations and the quality of management, which includes key and most influential representatives of the global investment community:
- 1. place for Tomasz Kulik in the "Best CFO" category in Poland;
- 1. place for Magdalena Komaracka in the "Best Investor Relations Specialist" category in Poland;
- 1. place for PZU in the "Best Investor Relations Team" category in Poland;
- 3. place for PZU in the "Best Company Management" category among large financial sector companies in the EMEA region.

IR plan for 2026

Further actions:

- strengthen good relations between the PZU Management Board and the community of investors, both in the local market and in the global market;
- secure a deep and broad market for PZU's shares by continuing to build a diversified base (in terms of geography, numbers and profile) of an appropriate number of well-informed investors familiar with the company;
- ensure equal access to information;
- ensure sell-side research coverage;
- develop digital tools to address investor needs better, including by implementing new solutions in the online annual report and enhancing the functionality of the investor relations portal;
- development of online reporting;
- develop the loyalty program for retail investors;
- communication of assumptions for the operationalization and implementation of the new strategy for 2025–2027.

New initiatives:

- building understanding of the planned reorganization of the PZU Group, which is expected to include the spin-off of PZU's operating and holding businesses and the acquisition of PZU by Bank Pekao;
- building investment attractiveness among debt investors in connection with the upcoming 29 July 2027 redemption of PZU's PLN 2.25 billion subordinated bonds;
- increasing the transparency of CSRD standard reporting;
- expanding the scope of disclosures in annual reporting.

Calendar of PZU's reports published in 2026

	PZU	Bank Pekao	Alior Bank
2025 Annual Report	**02/26/2026**	02/19/2026	02/24/2026
Quarterly Report for Q1 2026	**05/14/2026**	04/30/2026	04/28/2026
Half-Yearly Report for H1 2026	**08/20/2026**	07/30/2026	08/04/2026
Quarterly Report for Q3 2026	**11/19/2026**	10/29/2026	10/27/2026

IR contact details



Magdalena Komaracka, CFA, Director of Management Consolidation and Investor Relations

IR website: https://www.pzu.pl/relacje-inwestorskie/

Contact: https://www.pzu.pl/relacje-inwestorskie/kontakt-dla-inwestorow

IR website: https://www.aliorbank.pl/dodatkowe-informacje/relacje-inwestorskie/relacje-inwestorskie.html

Contact: https://www.aliorbank.pl/dodatkowe-informacje/relacje-inwestorskie/kontakt-dla-inwestorow.html

IR website: https://www.pekao.com.pl/relacje-inwestorskie/

Contact: https://www.pekao.com.pl/relacje-inwestorskie/kontakt/kontakt.html

7.3. Management Board and Supervisory Board

7.3.1. Management Board

The Management Board functions on the basis of the provisions of the Commercial Companies Code, the Regulations of the PZU Management Board (which are approved by the Supervisory Board) and the PZU Articles of Association. The PZU Management Board is

Rules for the appointment and dismissal of the Members

Management Board Members, including its President, are appointed and dismissed by the Supervisory Board after the recruitment procedure, which aims to assess the candidates and choose the best one. The verification includes the requirements set forth in the Articles of Association of PZU and the law, as well as the rules arising from the Diversity Policy adopted by the Shareholder Meeting.

The appointment of the President of the Management Board and the member responsible for risk management requires the approval of the Polish Financial Supervision Authority, unless the candidate has obtained such approval in the previous term. If the application applies to a person already in office, they may carry out their duties until a decision is issued by the supervisory authority. The mandate of the Management Board Member will expire no later than on the date of the Shareholder Meeting approving the financial statements for the most recent full financial year of their term. The mandate also expires in the event of death, resignation or revocation. Member of the Management Board appointed during the term of office shall serve until the end of the term with the other members.

Suitability assessment

All Management Board members are subject to individual suitability assessments (primary and secondary), and the Management Board as a whole is subject to collective assessment. The principles of this process, based on the KNF methodology, were adopted by PZU's Supervisory Board Resolution No. URN/129/2020 of 18 November 2020 (as amended).

Individual suitability assessments are carried out at least once a year, as well as, when a candidate is proposed to the Management Board (primary assessment). Changes in the composition of the Management Board, however, require conducting a collective suitability assessment.

The verification includes three main criteria:

- competence;
- guarantee, including reputation and credibility;
- independent judgment, including no conflict of interest, and possibility of sufficient time dedication to the position.

A candidate for the Management Board should have a university degree – preferably in areas such as insurance, finance, economics, law, accounting or information technology. Specialized qualifications, including actuary, auditor, investment advisor, legal counsel or attorney, are also an asset. The evaluation also takes into account the Diversity Policy adopted by the Shareholder Meeting.

The evaluation process is carried out on the basis of documents, statements and forms provided by the person being evaluated. The Nomination and Compensation Committee submits a proposal for individual or collective evaluation to the Management Board, and the final decision is made by the Board in the form of a resolution.

A person may become a Member of the Management Board if they simultaneously meet the following conditions:

- has a higher education obtained in Poland or foreign education recognized in the Republic of Poland;
- has at least 5 years of professional experience (employment under a contract of employment, appointment, election, appointment, cooperative employment contract, other civil law contract or business);
- has a minimum of 3 years of experience in a managerial position, independent or resulting from running its own business;
- meets the other requirements set forth in the regulations, in particular, is not subject to prohibitions on holding positions in the bodies of commercial companies.

A person may not become a Member of the Management Board if they meet any of the following conditions:

- holds the position of a social collaborator or works in a parliamentary, senatorial, parliamentary-senatorial office, or in the office of a Member of the European Parliament (under an employment contract or civil law contract);
- sits on the body of a political party authorized to represent it externally or to incur obligations;
- is employed by a political party or performs work for it under civil law contracts;
- holds an elected position in a company trade union organization or in such an organization operating in PZU Group companies;
- conducts social or gainful activity that creates a conflict of interest with the PZU.

Management Board's term of office

On 1 January 2023, the term of office of the PZU Management Board started, encompassing three full financial years 2023-2025.

Composition of the Management Board at the beginning and end of 2025 and at the date of publication of the report

	Composition of the Management Board	
	1 January 2025	31 December 2025 and as of the date of publication of the report
Position		
President	Artur Olech	Bogdan Benczak
Management Board Member	Maciej Fedyna	Maciej Fedyna
Management Board Member	Bartosz Grześkowiak	Bartosz Grześkowiak
Management Board Member	Elżbieta Häuser-Schöneich	Elżbieta Häuser-Schöneich
Management Board Member	Tomasz Kulik	Tomasz Kulik
Management Board Member	Tomasz Tarkowski	Tomasz Tarkowski
Management Board Member	Jan Zimowicz	Jan Zimowicz

Changes in the composition of the Management Board from 1 January 2025 to 31 December 2025

- On 1 January 2025, the composition of the Management Board was as follows: Artur Olech, Maciej Fedyna, Bartosz Grześkowiak, Elżbieta Häuser-Schöneich, Tomasz Kulik, Tomasz Tarkowski, Jan Zimowicz;
- On 27 January 2025, the Supervisory Board removed Artur Olech from the Management Board. At the same time, the Supervisory Board delegated a member of the Supervisory Board, Andrzej Klesyk, to temporarily perform the duties of the President of the Management Board until the appointment of the President (for a period not exceeding 3 months);
- on 27 February 2025, the Supervisory Board appointed Andrzej Klesyk to PZU Management Board to serve as its President, effective 3 March 2025, subject to the approval of the Polish Financial Supervision Authority;
- on 2 July 2025, the Polish Financial Supervision Authority approved the appointment of Andrzej Klesyk as President of the Management Board of PZU;
- on 7 August 2025, the Supervisory Board removed Andrzej Klesyk from the Management Board. At the same time, the Supervisory Board entrusted PZU SA Management Board member Tomasz Tarkowski to temporarily perform the duties of the President of the PZU Management Board until the appointment of the President of the PZU Management Board;
- on 24 September 2025, the Supervisory Board appointed Bogdan Benczak to PZU Management Board to serve as its President, effective 25 September 2025, subject to the approval of the Polish Financial Supervision Authority;
- on 7 November 2025, the Polish Financial Supervision Authority approved the appointment of Maciej Fedina as Board Member responsible for risk management;
- on 22 December 2025, the Polish Financial Supervision Authority approved the appointment of Bogdan Benczak as President of the Management Board of PZU SA.

The individual suitability assessments of PZU's Management Board Members conducted in 2023 confirmed that all members of the Management Board have adequate knowledge and skills and meet all the suitability criteria necessary to hold their positions.

Changes in the composition of the PZU Management Board from 1 January 2026 to date of publication

There were no changes in the composition of the Management Board after the balance sheet date and up to the date of publication of the report.

Key management

In addition to PZU Board Members, PZU Group Directors are considered key management personnel.

PZU Group Director positions operate under a common management model in place at PZU and PZU Życie. The rules for their creation, liquidation, and appointment and dismissal are set forth in the organizational bylaws of both companies.

Until 2022, the positions of Group PZU Directors at PZU were assigned exclusively to individuals who were simultaneously Members of the Management Board at PZU Życie. Starting in 2023, a second type of position was introduced, allowing the appointment of individuals who do not hold positions on the Management Board of PZU Życie. PZU Group Directors generally oversee areas analogous to those for which they are responsible in PZU Życie as Members of the Management Board or PZU Group Directors.

PZU Group Directors in both companies, as well as Senior Management reporting directly to the Management Boards, support the Management Boards of PZU and PZU Życie in preparing strategy, strategic objectives (including ESG), and internal regulations, in accordance with their areas of responsibility.

In 2025 and up to the date of signing the report, the positions of PZU Group Directors at PZU were held by:

- Michał Kopyt (since 1 March 2025);
- Artur Fromberg (since 16 April 2025);
- Iwona Wróbel (since 22 April 2024);
- Andrzej Mikosz (since 9 June 2025);
- Katarzyna Majewska (since 16 June 2025);
- Rafał Cegieła (since 1 July 2025);
- Michał Świtalski (since 4 November 2025);

Corporate governance over subsidiaries

Since 2010, the PZU Group's practice in terms of its corporate governance model and collaboration among its various entities has been for representatives of PZU and PZU Życie to sit on the supervisory boards of the Group's companies. This solution ensures a uniform approach to governance standards in the key areas of the PZU Group's functioning.

and in 2025:

- Jarosław Mastalerz (since 31 January 2025);
- Pawel Wajda (until 31 January 2025);
- Sławomir Bilik (until 28 February 2025);
- Igor Radziewicz-Winnicki (until 31 March 2025);
- Małgorzata Skibińska (until 30 April 2025);
- Paweł Wróbel (until 30 April 2025).

Members of the Management Boards of PZU and PZU Życie serving on the Supervisory Boards of PZU Group subsidiaries at the end of 2025 and at the date of publication of the report

Member of the PZU/PZU Życie Management Board	PZU Życie	Bank Pekao	Alior Bank	PZU Zdrowie	LINK4	TUW PZUW	PZU TFI	PTE PZU	Centrum Operacji	PZU Ukraine and PZU Ukraine Life
Bogdan Benczak – President of PZU Management Board	CSB	CSB		PRN 1)	MSB					CSB
Bartosz Grześkowiak – Member of the PZU Management Board		VCSB				CSB				
Elżbieta Häuser-Schöneich – Member of the PZU Management Board					VCSB					
Tomasz Kulik – Member of the PZU and PZU Życie Management Board				CSB			CSB			
Katarzyna Majewska – President of the PZU Życie Management Board				VCSB	CSB			CSB	CSB	
Michał Świtalski – Member of the PZU Życie Management Board							VCSB 3)			
Jan Zimowicz – Member of the PZU Management Board			DCSB	MSB 2)						

1) delegated to temporarily perform the duties of the President of the Management Board from 31 March to 24 April 2025, and to temporarily perform the duties of the Member of the Management Board from 25 April to 30 June 2025
2) served as President of the Management Board of PZU Życie from 25 April to 3 November 2025
3) Vice-Chairman of the Supervisory Board of TFI PZU SA as of 7 January 2026 (until 6 January 2026 he served as a Member of the Supervisory Board)

Key:

CSB – Chairman of the Supervisory Board
VCSB – Vice-Chairman of the Supervisory Board
DCSB – Deputy Chairman of the Supervisory Board
MSB – Member of the Supervisory Board

Competencies of PZU Management Board Members and PZU Group Directors at PZU

Competencies of Members of the Management Board as at 31 December 2025 and the date of publication of the report



Bogdan Benczak

President of the PZU Management Board
from 22 December 2025

Member of the Management Board directing the work of the Management Board pending approval by KNF from 25 September 2025 to 21 December 2025

Scope of responsibility:

- ✓ corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR, security, sponsorship, prevention, corporate relations and communication, Data Protection Officer
- ✓ additionally, supervises in PZU the PZU Group Directors: Katarzyna Majewska, Iwona Wróbel, Michał Kopyta, Artur Fromberg, Andrzej Mikosz, Michał Świtalski

Education
An attorney-at-law who graduated from the Faculty of Law at the University of Warsaw, holding a postgraduate degree from Kraków Academy of Economics and an MBA degree from the University of Gdańsk.

Experience
He has many years of experience working in supervisory and management authorities of various companies in Poland and the Baltic State. He has held key functions in numerous PZU Group companies. From 2008 to 2015, he was President of the PZU Foundation, and Director of PZU's Foreign Operations Office and Corporate Business Development Office (2008-2014). From 2010 to 2014, he was President of UAB PZU Lietuva, from 2009 to 2017 – President of UAB PZU Lietuva Gyvybes Draudimas, and from 2014 to 2017 – President of AAS BALTA and, at the same time, Foreign Operations Managing Director at PZU SA. From 2015 to 2017, he was Member of the Management Board at AB Lietuvos Draudimas. After that, in 2018-2022, he was Member and President of the Management Board at ERGO Insurance SE / ERGO Life Insurance SE. In 2023-2024, he was Chief Executive Officer at ADB Gjensidige Lietuva. He currently serves as chairman of the supervisory boards of: PZU Życie SA, Bank Pekao SA, PZU Zdrowie, PrJSC IC PZU Ukraine, and PrJSC IC PZU Ukraine Life Insurance, and as a member of the supervisory board of Link4 TU S.A. and the Audit Committee of the Polish Insurance Association.



Maciej Fedyna

Member of the PZU Management Board since 16 December 2024

Scope of responsibility:

- ✓ risk

Education
Graduate of Finance and Banking at the SGH Warsaw School of Economics**.**

Experience
Financier with 25 years in the insurance industry.

He began his career in 2001 at audit firms ArthurAndersen and E&Y. From 2004, he was associated with the PZU Group for seven years. Among other things, he was involved in the implementation of IFRS as well as accounting and finance rules and policies. Since 2005, he has served as Polish representative in the international accounting standards team at Insurance Europe. He took an active part in the preparation of PZU's IPO.

From 2011 to 2020, he was associated with Generali. There, he oversaw the Controlling and Management Information area. Since 2014, as a member of the Management Board responsible for the finance area, he co-created the company's development strategy for the Polish market. He participated in the Group's strategic projects, including Solvency II implementation, domestic and international M&A transactions, and organizational transformation. He participated in capital and risk management, among others, overseeing actuarial and reinsurance service; he served as member of the Risk& ALM Committee. In 2018, he became President of the Management Board of Concordia Polska and Concordia Capital insurance companies, taking care to fully utilize the competence and expertise of the team and the process of merging entities in the group structures, and in 2020 he was appointed President of the Management Board of Generali Group in Poland. He was Managing Director for Financial Affairs at UFG (Insurance Guarantee Fund) with separate funds, building guarantee systems in the insurance, tourism and property development sectors.



Bartosz Grześkowiak

Member of the PZU Management Board
since 12 April 2024

PZU Group Director at PZU
since 22 April 2024

Scope of responsibility:

- ✓ reinsurance, corporate business development, retail sales – dealer channel, corporate sales, including the broker channel, corporate product management, analytics, underwriting and risk assessment of corporate insurance, financial risk insurance, corporate business support

Education
He graduated from the University of Life Sciences in Poznań. In 2003, he completed a one-year postgraduate programme in equity investments at the Poznań School of Banking, Faculty of Finance and Banking. He also completed the AMP Advanced Management Program approved by IESE University of Navarra. He has a broker license.

Experience
Manager involved in the insurance industry for more than 20 years.

Since the beginning of his career, he has been involved in the insurance market, in the corporate insurance segment. Since 2005, he has held managerial positions at UNIQA Towarzystwo Ubezpieczeń S.A. for several years. In 2008, he was appointed Director of the Sales Department (Broker Channel) at the company. Since 2011, he has held the position of Managing Director at Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A., being responsible for managing the Corporate Insurance Department and taking an active part in building

and implementing the company's strategy. In 2018, he joined the MAK Group as Vice-President of MAK Insurance and STBU Brokerzy Ubezpieczeniowi. He then took on the role of President of the Management Board of MAK International Sp. z o.o. in May 2019, and became Vice-President of the Management Board at MAK Re, a reinsurance broker, in November 2020.

Since 29 April 2024, he has been Chairman of the Supervisory Board of TUW PZUW, and since 25 May 2024, he has served on the PIU Review Committee. Member of the Supervisory Board of Bank Pekao S.A., serving as Vice Chairman of the Supervisory Board of Bank Pekao S.A. since18 April 2024.



Elżbieta Häuser-Schöneich

Member of the PZU Management Board
since 12 April 2024

PZU Group Director at PZU since 22 April 2024

Scope of responsibility:

- ✓ marketing, digital process and service management, CRM, eCommerce, customer relationship and customer experience management
- ✓ additionally, supervises in PZU the PZU Group Director Rafał Cegieła

Education

She graduated from the Catholic University of Lublin and completed a postgraduate program in Goodwill Management at the SGH Warsaw School of Economics. She also completed the Management Program at UCLan, the Executive Development Program at the Kellogg School of Management, the General Management Program at CEDEP/INSEAD, the Entrepreneurship and Innovation Program at Stanford Graduate School of Business/Stanford University, and a number of other programs in management, health economics and M&A at renowned foreign universities.

Experience

With nearly three decades of experience in management, strategy building, sales and marketing, transformation, digitization and business development, Ms Häuser-Schöneich has worked in international institutions mainly in the insurance and telecommunications industries.

She has been involved in the insurance and financial markets for most of her career. She co-created the direct insurance market and InsurTech industry in Poland. Between 2002 and 2005, she served as Member of the Management Board at LINK4, responsible for business development, sales and marketing. Between 2005 and 2008, she was the Marketing and Product Director of TUnŻ ING Nationale-Nederlanden S.A. From 2008 to 2015, she served as Vice-President of the Management Board at Aviva TUO S.A., managing the group's direct sales and marketing. She was a Member of the Supervisory Board of Aviva TFI. From 2015 to 2017, she was a Member of the Management Board at T-Mobile Polska S.A., and was responsible for the retail client market. From 2019 to 2020, she sat in the Management Board of PZU and PZU Życie and was responsible for distribution strategy, retail sales management, CRM and digital transformation. Since 2021, she has been an independent member of the supervisory boards of companies listed on the WSE. She co-founded a CleanTech start-up that was given the 2023 "Innovation for a Digital, Green and Socially Sustainable Future" award by the Minister of Economic Development and Technology. She co-authored the 2020 Davos World Economic Forum publication on building resilience in the insurance industry.

In 2010, the Polish Chamber of Insurance gave her a distinction for her services to insurance. In 2023, she was one of the laureates in Forbes's "50 after 50" ranking.



Tomasz Kulik

Member of the PZU Management Board since 14 October 2016

Scope of responsibility:

- ✓ actuarial, finance and investments

Education

He graduated from the SGH Warsaw School of Economics. He also received an MBA from the University of Illinois and completed the Warsaw–Illinois Executive MBA program. A member of The Association of Chartered Certified Accountants (ACCA) and a graduate of the Advanced Management Program at Harvard Business School in Boston.

Experience

He has been involved with the financial market since the beginning of his professional career, where he held numerous positions in regulated institutions of the insurance, banking and asset management sectors. He has been working for the PZU Group since 2012, where he is currently holding the position of the Group's CFO and a member of the management board supervising the finance, investment, data warehouse, information management, investments, capital management and investor relations areas. From 2013 to 2016, CFO, Member of the Management Board of TFI PZU responsible for the areas of finance, operations and IT.

Previously, he was associated with Aviva Group (former Commercial Union) for a long time. within which he was responsible for areas related to financial controlling, risk management and operations. He participated in and was responsible for projects related to the establishment of the Aviva Direct brand and the development of the direct sales channel, as well as the establishment and development of the Aviva Services Excellence Center, providing services related to actuarial modeling and analysis and financial reporting for Aviva Group companies.

Tomasz Kulik additionally sits on the supervisory boards of PZU Group companies: Towarzystwo Funduszy Inwestycyjnych PZU SA (TFI PZU) and PZU Zdrowie.



Tomasz Tarkowski

Member of the Management Board of PZU
since 4 November 2024

Temporarily performing the duties of the President of the Management Board
from 7 August 2025 to 24 September 2025

Scope of responsibility:

- ✓ claims handling and insurance crime prevention within this area, assistance, remote customer service, debt collection

Education

He graduated from the Faculty of Automotive and Construction Machinery Engineering at the Warsaw University of Technology and the Higher School of Banking and Insurance. He also completed a postgraduate program in Road Traffic Safety at the Military University of Technology, in Economic Insurance at the Cracow University of Economics, in Psychology of Personnel Management at the University of Warsaw, and the Advanced Management Program at IESE Business School.

Experience

For most of his professional life (1996-2016), he was associated with the PZU Group, where he went through all operational and management levels in the loss adjustment area – from specialist, to director of the loss adjustment center, and to Member of the Management Board.

From 2007 to 2011, as Member of the Management Board of PZU Ukraine, he was responsible for loss adjustment, product management, and risk assessment. He then joined the Management Boards of PZU and PZU Życie and headed the claims and benefits division. He was also President of the Management Board at Link4 for several months in 2016.

Later on, he worked, among others, for ERGO Hestia, where he was responsible for implementing modern solutions regarding the loss adjustment process in ERGO companies in Poland and the Baltic Countries and then he managed ControlExpert Polska, a loss adjustment service and technology provider.

Since April 2022, he has served as Managing Director at UNIQA TU and UNIQUA TU na Życie SA responsible for the Compensation and Benefits Division, covering also the area of recovery of recourse claims and litigation.



Jan Zimowicz

Member of the PZU Management Board
since 12 April 2024

PZU Group Director at PZU since 22 April 2024

Scope of responsibility:

- ✓ remote sales, retail sales – exclusive channel, multigenerational channel, retail sales support, sales analysis, assurbanking, bancassurance and strategic partnership programs (strategic partnerships and new business, product and sales management, tariff actuarial, product analysis), coordination and supervision of cooperation with PZU Group banks, after-sales service for health insurance, innovation and AI

Education

He graduated from the SGH Warsaw School of Economics, majoring in International Economic and Political Relations, and from the Warsaw University of Technology, Faculty of Electronics and Information Technology. He holds an Executive MBA degree issued by the Warsaw University of Technology Business School in conjunction with HEC Paris, London Business School, and NHH Norwegian School of Economics. He also completed the senior management program at Singularity University in Mountain View, California.

Experience

A manager with nearly fifteen years of experience in management boards at leading insurance companies and banks belonging to international groups such as Aegon, Nationale-Nederlanden and Credit Agricole.

He specializes in sales and marketing management, insurance product development, and acquisition and merger processes. He has gained numerous experiences at Oracle and Accenture in creating business strategies for large companies, digitizing and implementing extensive IT systems. In his professional work, he strives to combine comprehensive knowledge and skills from different industries: finance, technology and consulting.

He wrote numerous publications in industry media, participated many times in panel discussions, and served as member of the Insurance Forum Program Council. He has extensive expert knowledge and experience in insurance market rules, laws and supervisory guidelines. He is a long-time member of the Life Insurance Committee of the Polish Chamber of Insurance.

Competencies of PZU Group Directors at PZU as at 31 December 2025 and as of the report publication date



Katarzyna Majewska

PZU Group Director at PZU since 16 June 2025

Scope of responsibility:

- ✓ insurance operations, after-sales customer service, administration, real estate, purchasing

Education

Graduate of the SGH Warsaw School of Economics, Harvard Business School. She holds an MBA from the Rotterdam School of Management.

Experience

From 2016 to 2025, she served as Vice President of the Management Board of Bank Handlowy w Warszawie S.A. (Citi Handlowy), being responsible for the Operations and Technology Area. She joined the Citi Handlowy team after seven years at PZU Group, where, as Managing Director, she played a key role in one of the largest transformations of state-owned companies, focusing on optimizing processes and increasing operational and cost efficiency.

From 1999 to 2009, she gained experience at Bank Handlowy in Warsaw working in various positions. From 2017 to 2021, she was Vice Chair of the Cyber Security Forum at the Polish Bank Association, actively supporting the development of banking sector initiatives in the area of digital security.

For her outstanding contribution to the development of the financial sector in Poland, she was awarded the Medal for Long Service by the President of the Republic of Poland (2022) and the Nicholas Copernicus Medal of the Polish Bank Association (2023).



Michał Kopyt

PZU Group Director at PZU
since 1 March 2025

Scope of responsibility:

- ✓ IT (IT strategy and project management, IT architecture and infrastructure, IT systems management and development, IT support), cyber security

Education

He graduated from the University of Warsaw with a degree in English philology. Experienced technology leader and expert in digital transformation.

Experience

He has been involved in the insurance sector for 17 years. He has many years of experience in building and managing IT teams and implementing modern technology solutions.

From 2009 to 2016, he held key positions in the PZU Group as IT Transformation Director, responsible for strategic digitization projects, including the Everest project – Central and Eastern Europe's largest implementation of the Guidewire system, streamlining policy sales and administration. He has implemented one of the largest Agile transformations in Poland, integrating IT with the business and reducing the time to deploy products. He has been with EY since 2016, where, as Executive Director of EY Global Delivery Services, he created and developed a technology center to support IT projects for European insurance and financial companies. Since 2019, as a Partner and Technology Consulting Leader at EY Poland, he has supported major companies in the Central and Eastern European region in digitization and process optimization, working with, among others, PZU. He was responsible for developing the technology practice, scaling teams and implementing innovative IT solutions. Prior to 2016, he gained experience in technology and consulting companies, with projects in the insurance, banking and telecommunications sectors. As Insurance Practice Leader at Cube ITG, he worked with PZU to implement new IT management methodologies.
At Sygnity and Easy Net S.A., he implemented ERP and Oracle EBS systems for international clients.



Artur Fromberg

PZU Group Director at PZU
since 16 April 2025

Scope of responsibility:

- ✓ no supervised area within the PZU organizational structure

Education

He is a graduate of the Faculty of Organization and Management at the Poznań University of Economics. He has nearly 30 years of managerial experience in sales and sales management, including the last 15 years in the insurance sector.

Experience

He gained this experience at PZU Group, Aviva TUnŻ S.A., Allianz Group S.A. and Nationale - Nederlanden Group.

He was responsible for the sales area of property, individual and group life insurance, among others.

He managed both branches, sales networks of exclusive agents, multiagents and direct sales in cooperation with brokers.

He successfully implemented projects to increase the efficiency of the sales network as well as implemented innovative solutions in the supervised areas.

He has served as Managing Director of Sales at PZU Group since 2021.



Iwona Wróbel

PZU Group Director at PZU
since 22 April 2024

Scope of responsibility:

- ✓ PZU branch network management, sales support

Education

She is a graduate of the Wrocław University of Economics. She has completed numerous leadership and management training courses.

Experience

A successful manager with more than 25 years of experience in insurance, banking and clearing companies. She has built and implemented business strategies in state-owned companies and the private sector. She specializes in building and implementing strategies in sales and business line management.

She joined the PZU Group in 2023 as a strategic project director. Previously, she was, among others, director of strategy and development of the proprietary network at AVIVA (2019–2022), director of sales development strategy at AVIVA (2016–2019), managing director of the retail customer division and financial services division at Poczta Polska (2013–2016), managing director and department director at Bank Pocztowy (2009–2013), sales manager at Prumerica and branch manager at Bank Śląski. She has carried out a number of network change and transformation projects, including at AVIVA (the project brought tangible benefits in the form of above-average new business growth), and created and implemented a sales strategy for insurance and banking products at the Postal Group. She has participated in a number of projects related to ownership changes and the creation of new entities.



Michał Światlski

PZU Group Director at PZU
since 4 November 2025

Scope of responsibility:

- ✓ sustainable development

Education

Graduate of the Jagiellonian University in Cracow in the field of "Law," participant in doctoral studies in the field of "Management" at the Cracow University of Economics, in 1996–1998 he also served his judicial training in the Provincial Court in Cracow. He completed postgraduate studies in banking at the SGH Warsaw School of Economics.

Experience

Manager with nearly 30 years of professional experience in management and leadership positions in local and public administration, government agencies and commercial companies and defense concerns. He has many years of practice in law, public procurement and corporate governance.

Member of the Supervisory Board of the Bank of National Economy. Since 2024, President of the Management Board of AMW Sinevia sp. z o.o., one of the largest construction companies in Poland, which he originated and founded 15 years ago. Previously, he became Vice President of the Military Property Agency, responsible for the areas of accommodation, procurement and recovery, among others. From 2021 to 2024, he was Director and Deputy Director of the Poznań and Warsaw Network Region at Poczta Polska S.A. in Warsaw. From 2018 to 2021, he served as Director of Business Development at ARLEN S.A. in Warsaw, and from 2016 to 2019 – he held the position of President of Industchem sp. z o.o. in Warsaw.

From 2014 to 2016, he was a member of the Steering Committee of the National Center for Research and Development for scientific research and development work in the area of national security and defense. From 2013 to 2015, he was a member of the Management Board of Polska Grupa Zbrojeniowa S.A. in Radom, where he was responsible for finance, strategy, research and development, as well as production and IT. From 2008 to 2014, he served as President at the Military Housing Agency in Warsaw. From 2006 to 2008, he served as Deputy Director of the Legal and Public Procurement Department at the Agency for the Restructuring and Modernization of Agriculture in Warsaw.

From 1998 to 2006, he was successively Director of the Governor's Office, Spokesman for the Governor at the Malopolska Voivodship Office in Cracow, then Acting Governor. Deputy Director and Head of the Administration and Organization Department at the Municipal Cemeteries Board in Cracow, President of the Board of Directors at the Małopolski Rynek Hurtowy S.A. in Tarnów, as well as President of the Management Board and Chief Executive Officer at the NZOZ CenterMed sp. z o.o., CenterMed sp. z o.o. in Tarnów.

In 2000, he passed the state exam for candidates for members of the Supervisory Boards of state-owned companies. Since 2007 in the corps of the State Personnel Resources – having successfully passed the exam authorizing senior state positions.

The above table applies to PZU Group Directors who are also members of the PZU Życie Management Board. In 2025, the positions of PZU Group Directors at PZU were also held by individuals who were not Members of the Management Board of PZU Życie.

First name and last name	Function in PZU	Scope of responsibility
Andrzej Mikosz	PZU Group Director at PZU since 9 June 2025	advisory services and legal services
Rafał Cegieła	PZU Group Director at PZU since 1 July 2025	management of individual and SME products and insurance programs (product development, actuarial pricing, underwriting, product analytics)
Małgorzata Skibińska	PZU Group Director at PZU from 1 February 2023 to 30 April 2025	individual and SME product management (offer management, insurance programs, tariff underwriting, underwriting, product analysis)
Paweł Wróbel	PZU Group Director at PZU from 16 May 2024 to 30 April 2025	marketing, sponsorship, prevention, corporate communications
Igor Radziewicz-Winnicki	PZU Group Director at PZU from 15 January 2025 to 31 March 2025	health insurance

Competencies of other members of the Management Board and Directors of the PZU Group in PZU holding office in 2025

(as at the time of holding office)



Artur Olech

President of the PZU Management Board
from 12 April 2024 to 27 January 2025

Scope of responsibility:

- ✓ corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR

Education

He graduated from the Faculty of Law and Administration at the University of Warsaw and the Faculty of Finance and Banking at the SGH Warsaw School of Economics. He also completed a study program at the Vienna University of Economics and Business (Wirtschaftsuniversität Wien). Additionally, he has participated in numerous executive management training programs, including those at the Harvard Business School, the Kellogg School of Management, and the University of Chicago Booth School of Business.

Experience

A manager with more than 30 years in the financial and insurance industry.

He spent many years working at the Generali Group, advancing through all levels of his career and various areas of responsibility, from manager, through Department Director, Management Board Member, Deputy CEO to CEO of the Group in Poland in 2010. He served as CEO from 2010 to 2014.

In 2014, he joined Poczta Polska S.A. Group, where he established and led Postal Insurance.

He is a co-creator of fintechs. He is an expert in business process management. He has served as the CEO of financial institutions for many years. In May 2020, he co-founded Trasti, an insurtech and digital insurer established as a joint venture with Triglav DD and Swiss Re, where he also served as CEO.

He has served on several supervisory boards of Polish financial institutions and acted as an independent member in listed companies. In 2016, he joined the Supervisory Board of Qemetica S.A., one of the largest chemical companies in the CEE region, where he continues to serve as Chairman of the Audit Committee. From 2017 to 2018, he was a member of the Supervisory Board at Mabion S.A.



Andrzej Klesyk

President of the PZU Management Board from 7 August 2025 (from 3 March 2025 to 2 July 2025 acting in the capacity of President of the PZU Management Board)

Scope of responsibility:

- ✓ corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR, legal advisory and support, administration, real estate, procurement, security, cybersecurity, IT (IT systems management and development, IT service management, IT infrastructure management, IT support), marketing, sponsorship, prevention, corporate communication, sustainability, management of individual and SME products and insurance programs (actuarial pricing, underwriting, product analytics)

Education

He is a graduate of the Catholic University of Lublin, Faculty of Social Sciences, program in Economics; and Harvard Business School, where he earned an MBA.

In addition, he has participated in numerous training sessions and courses abroad on the financial and management sectors, including worldwide training for partners and managing directors of the Boston Consulting Group. He has extensive experience in consulting for the financial and insurance sectors.

Experience

Manager with more than 30 years of experience in the financial sector including consulting for the insurance and banking sectors.

He began his career in 1989-1992, as an assistant at the Catholic University of Lublin and Assistant Advisor to the Minister at the Ministry of Ownership Transformation, then as a Researcher at Kidder, Peabody Company, Coopers & Lybrand in New York and as an intern at McKinsey & Company in Germany. From 1993 to 2000, he was a Senior Engagement Manager at the London branch of McKinsey & Company. Later, from 2000 to 2003, he first served as CEO of Inteligo Financial Services SA, and then as a Management Board Member of Bankgesellschaft Berlin (Poland) SA. From April 2003 to December 2007, he served as Partner and Managing Director of the Boston Consulting Group in Warsaw, where, among other companies, he worked with PZU on key insurance projects. From 14 December 2007 to 8 December 2015, he served as President of the Management Board of PZU SA, and was responsible for managing the Company and the PZU Group. He conducted the IPO of PZU, the largest IPO on the Warsaw Stock Exchange at the time. In 2017-2022, he went through service as President of the Supervisory Board of Best SA, Deputy President of the Supervisory Board and Chair of the Audit Committee at NKBM Maribor, as well as Non-Executive Director, Head of the Audit Committee and Member of the Strategy Committee at Play Communication. He was responsible for restructuring the largest Greek insurance company, Ethniki, after it had been acquired by CVC (one of the largest PE companies in the world), serving as President of the Management Board and Head of the Nomination and Compensation Committee. From 2020 until February 2025, he was Managing Partner at Cornerstone Partners, where he was responsible for several portfolio companies.

On 21 January 2025, he was appointed to the Supervisory Board of PZU SA, and subsequently on 27 January 2025, he was seconded by the Supervisory Board of PZU SA to be acting President of the Management Board of PZU SA. From 31 January 2025 to 7 August 2025, he served as Chairman of the Supervisory Board of PZU Życie



Jarosław Mastalerz

PZU Group Director at PZU from 22 April 2024 to 31 January 2025

Scope of responsibility:

- ✓ security, cyber security, IT (IT systems management and development, IT service management, IT infrastructure management, IT support)

Education

He is a graduate in foreign trade from the Faculty of Economics and Sociology at the University of Łódź.

Experience

Experienced manager for more than 25 years holding key positions in the management boards of the largest international financial institutions in Poland, both in the insurance and banking market. During this time, he was responsible for a range of business functions in the areas of finance, operations, strategy, marketing, and IT and technology.

In the insurance market, he served, among other positions, as Financial Director and Member of the Management Board of Zurich Poland (1998–2003), then was associated with the Generali Group in Poland (2003–2006), where, in the rank of Member of the Management Board, he also served as Financial Director. In 2007, he was the creator and CEO of Poland's first digital insurer, BRE Ubezpieczenia. He then spent 10 years with the mBank Group (formerly BRE Bank), where as vice president he was responsible for, among other things, retail banking in Poland, the Czech Republic and Slovakia, followed by the areas of operations and IT, and oversaw the technology, security and real estate divisions.

For the past 7 years he has been involved in the venture capital market, where he oversaw the operations of the Corporate VC fund mAccelerator as managing partner.



Paweł Wajda

PZU Group Director at PZU from 6 May 2024 to 31 January 2025

Scope of responsibility:

- ✓ consulting and legal services, administration, real estate, purchasing

Education

Graduate of the SGH Warsaw School of Economics (Finance and Banking).

Experience

A professor at the Faculty of Law and Administration of the University of Warsaw in the Department of Administrative Law and Procedure (Professor at the University of Warsaw). He practices the profession of a lawyer.

He focuses on regulatory issues, banking law, insurance law, capital markets law, administrative law, administrative proceedings and proceedings before administrative courts. He has provided legal services to large enterprises on so-called regulatory issues, compliance issues, as well as in representing financial institutions in administrative proceedings and proceedings before administrative courts. Pawel Wajda is recommended in Chambers Global, Chambers Europe, LegalSOO rankings in the following categories: Banking & Finance (Insurance).



Sławomir Bilik

PZU Group Director at PZU
from 6 May 2024
to 28 February 2025

Scope of responsibility:

- ✓ health insurance, strategic partnerships and new business

Education

Graduate of the SGH Warsaw School of Economics with a degree in finance. He completed postgraduate Executive MBA studies at the University of Gdansk and Rotterdam School of Management....

Experience

His professional career began in 1992 at AGF Ubezpieczenia SA, where he gained experience as an insurance agent and sales manager. Subsequently, from 1994 to 1995, he worked as an Inspector in the Property and Liability Aviation Insurance Office and as a Capital Investment Inspector in the Capital Investment Office at TUIR WARTA S.A. From 1996, for more than a decade, he served as President of the Management Board at AXA Assistance Polska SA and Director of the Polish Branch of Avanssur SA, a Paris-based company operating under the AXA Direct brand. In the following period, he learned the specifics of the bancassurance model at CALI Europe SA, based in Luxembourg, serving as Branch Manager in Poland and Advisor to the Management Board of Lukas Bank (today Credit Agricole). He gained valuable experience managing Punkt's second largest insurance comparison engine.

His professional path also includes management positions in a variety of sectors, from financial to non-financial, including as a member of the Management Board of Noble Funds TFI SA, President of the Management Board of EVO Dom Maklerski SA, President of the Management Board at the European Institute for Medical Expertise and Eurisk sp. z o.o.

He also developed his competence by participating in numerous specialized training courses, including insurance company management, investment consulting, as well as training related to insurance distribution, financial management, insurance and risk management. As part of AXA University, he received 1.5 years of training for future AXA Group executives.

Management Board competences

The Management Board manages the affairs of PZU, represents the company and exercises all powers that are not reserved for the Shareholder Meeting or the Supervisory Board. Declarations of intent on behalf of PZU are made jointly by two Members of the Management Board or by one Member of the Management Board acting together with a proxy. Members of the Management Board bear joint responsibility for the Company’s operations.

The Management Board acts collegially. Individual Members supervise their respective areas in accordance with the regulation of the President of the Management Board concerning organizational oversight and the assignment of the Heads of Divisions, which specifies their detailed responsibilities. The Management Board adopts its own rules of procedure, approved by the Supervisory Board, and provides the Board with all material information regarding PZU’s activities.

Resolutions of the Management Board specifically require:

- adoption of PZU’s multi-year development plan and the action and development plan for the PZU Group;
- adoption of the annual financial plan and the report on its implementation;
- adoption of the Management Board’s reports on the operations of PZU and the Capital Group, as well as the financial statements (individual and consolidated);
- adoption of reports on PZU’s and the Group’s solvency and financial condition, as well as reports on the internal assessment of risk and solvency;
- adoption of reports on representation expenses and expenses for legal, marketing, PR, and management consulting services;
- adoption of the report on compliance with good practices specified for companies with State Treasury participation;
- adoption of a proposal for profit distribution or loss coverage;
- determination of premiums in compulsory and voluntary insurance and the general terms and conditions of voluntary insurance;
- determination of the scope of outward reinsurance and the tasks for inward reinsurance;
- adoption or amendment of PZU’s Organizational Regulations;
- adoption of the annual audit and control plan and the report on its implementation;
- determination of principles for investment, prevention, and sponsorship activities;
- granting of sureties and guarantees (excluding insurance activities);
- incurring loans and borrowing or granting loans (subject to inclusions specified in the investment activity principles and the Company Social Benefits Fund regulations).

Mode of operation

Meetings of the Management Board are held as needed, but at least once every two weeks, including via remote communication means.

The Management Board's work is chaired by the President, who issues regulations and official instructions. Other Members of the Management Board conduct the Company's operations in areas designated by the President.

The Management Board makes decisions in the form of resolutions. Resolutions may be adopted only in the presence of the President or a person designated to chair the Management Board's work. Resolutions are passed by an absolute majority of votes, with the President's vote deciding in the event of a tie. With the President's consent, resolutions may be adopted in writing or using remote communication means, provided that all Members have received the draft resolution with justification, and at least half of them participate in the vote.

Responsibility related to ESG

ESG goals have been incorporated into the Management Board's goals, and key ESG indicators have become part of the PZU Group's business strategy.

To ensure effective management of ESG matters, at the end of 2020 PZU and PZU Życie established the Sustainable Development Office, which coordinates the integration of ESG factors into key business processes. The Director of the Office reports directly to a Member of the PZU Management Board.

Since 2021, sustainability issues have been included in the remuneration system for Members of the PZU Group Management Board and form part of their managerial objectives. The Shareholder Meeting authorized the Supervisory Board to refine these objectives, determine their weighting, and define measurable indicators (KPIs) that influence the level of variable remuneration. Variable remuneration depends on the achievement of managerial objectives and may not exceed 100% of a Management Board member's fixed remuneration for the previous financial year.

Information on key ESG aspects is communicated through internal acts issued by the Director of the Sustainable Development Department. In 2025, updates were made, among others, to the Sustainable Development Policy, methodologies for calculating the carbon footprint, and the list of reporting obligations arising from the EU Taxonomy.

The principles of cooperation on ESG matters within the PZU Group are defined by the Sustainable Development Policy and agreements concluded between the companies.

Committees

Committees operating at PZU are collegial bodies established and dissolved by the Management Board. They provide opinions and make decisions on matters specified in their regulations. In 2025, PZU had committees in which Members of the Management Board and PZU Group Directors participated.

Committees at PZU

Name of the Committee	Purpose
PZU Pricing Committee	To set out the pricing policy in line with the PZU strategy.
Data & AI Governance Committee	To coordinate at PZU processes related to Data & AI Governance.
Innovations Committee	To coordinate and manage at PZU all matters related to innovation.
Investment Committee	• To review and give opinions on investment decisions. • To set exposure limits or other investment restrictions for individual entities or groups of entities up to an amount of PLN 600 million inclusive. • To make decisions on the acceptance of risk in financial insurance where credit risk is involved, in accordance with the relevant resolution of the PZU SA Management Board. • To decide on how to vote at a meeting of the investment fund participants or investors if the subject of such a meeting is the fund's investment decision, issuance of new investment certificates, issuance of bonds, establishment of additional investment limits, liquidation of the fund, merger of funds, or acquisition of the investment fund management by another company. • To give opinion on instructions for voting at meetings on other matters than those indicated above whose participants are shareholders, partners, bondholders, participants or investors in investment funds.
Cost Committee	To coordinate cost-reduction activities at PZU, in particular fixed costs in insurance operations, in accordance with the PZU Group strategy.
Property Committee	To ensure the proper implementation of the decision-making process regarding the intended use of real estate held by PZU, in particular its sale or investment use by entities within the PZU Group.
PZU Provisions Committee	To act in a consultative and advisory capacity for the actuarial function at PZU, regarding assumptions for determining technical insurance reserves for solvency purposes, technical insurance reserves for accounting purposes, and cash flows for IFRS 17 purposes.
Actuarial, Operational and Model Risk Committee	To take action with regard to: • accepted level of actuarial, operational and model risk; • actuarial, operational and model risk management principles and methodologies;

	• management activities in the process of monitoring actuarial, operational and model risk; • supporting the Management Board of PZU in the process of regulatory risk management.
PZU Group's Risk Committee	To coordinate activities and supervise the management system and processes related to risks occurring in PZU, PZU Życie and the PZU Group, in particular at the level of the financial conglomerate of the PZU Group
Investment Risk Committee	To take action in the area of market risk, credit risk and concentrations regarding: • acceptable sizes of risks, risk management principles and methodologies, taking management actions in the process of risk management at the level of individual exposures, investment portfolios and financial insurance where the credit risk is present.
Sponsorship and Prevention Committee	To ensure that PZU properly conduct sponsorship and prevention activities, as well as to monitor and ensure consistency of activities conducted in these areas.
Procurement Committee	To facilitate the goods and services supplier selection procedure and monitor cooperation with suppliers following the PZU's strategy.
Asset and Liability Management Committee	• Providing opinions on and recommending the investment strategy, as well as draft resolutions/information for the Management Boards of PZU SA and PZU Życie SA in the areas of investments and credit risk in financial insurance. • Approving: ◦ short-term asset allocation within the strategy, ◦ objectives, guidelines, investment limits, risk limits, and benchmarks, ◦ methodologies and principles for managing liquidity, sustainability, and asset-liability matching, ◦ principles for managing conflicts of interest, ◦ documents and methodologies for managing credit, market, and concentration risk, as well as decisions on deviations. • Making decisions on the acceptance of financial insurance risk involving credit risk. • Determining: ◦ principles for reporting and monitoring credit and market risks, ◦ exposure limits above PLN 600 million for entities/groups, ◦ limits for countries, sectors, industries, loan portfolios, and financial insurance lines. • Establishing restrictions for decisions by the Managing Director of Investments or the Management Board Member supervising the Investment Division. • Recommending technical rate levels and actions to increase own funds or liquidity. • Monitoring investment and credit risks through report analysis.
Initiatives Management Committee	To supervise and determine directions of action in terms of managing initiatives within PZU

In 2025, there was also a Crisis Management Team at PZU, which is a collegial body having the rights of a committee. The Crisis Management Team supervised the operation of the business continuity management system, carried out the tasks specified in the business continuity plan and was responsible for managing crisis situations in PZU.

7.3.1.1. Management Board's activity in 2025

The PZU Management Board held **60 meetings** in 2025.

The main areas of the Management Board's activity include:

Strategy

Management Board:

- approved the conclusion of a Term Sheet with Bank Pekao regarding the capital reorganization of the PZU Group and Pekao,
- implemented strategic projects and initiatives aimed at achieving the objectives set out in the strategy,
- adopted the Internal Audit Function Strategy for 2025–2027,
- adopted a resolution amending PZU's social engagement strategy for 2025–2027.

Finance

The Management Board adopted:

- a financial plan for PZU and PZU Group for 2026,
- reports on the activities of PZU and PZU Group for 2024 and H1 2025, financial statements of PZU and PZU Group for 2024, H1 2025 and Q1 and Q3 2025, as well as reports on solvency and financial condition of PZU and the PZU Group for 2024,
- regulations for investment activities of PZU.

The Management Board determined:

- operating segments for the purpose of preparing the PZU Group's consolidated financial statements in accordance with the International Financial Reporting Standards;

- accounting principles (policy) for reporting in accordance with the International Financial Reporting Standards (IFRS) as applied in PZU.

The Management Board agreed:

- to amend PZU's reinsurance program for 2025, and adopted the assumptions of the mandatory outward reinsurance program for 2026.

The Management Board amended:

- The procedure for analyzing the rationale for control under IFRS10 Consolidated Financial Statements.

Operating activities

The Management Board approved amendments to general insurance terms and conditions (GTI) and general insurance terms and conditions for new products, as well as insurance tariffs, for example for:

- PZU DOM (PZU HOME) insurance;
- PZU Crop insurance,
- ADD and unemployment insurance for borrowers of cash loans granted by Alior Bank SA, PZU Wojażer insurance;
- "PZU POMOC W PODRÓŻY LOT" insurance;
- TPL insurance for the operator of the unmanned aircraft system;

The Management Board agreed to:

- continuing cooperation with the Great Orchestra of Christmas Charity Foundation in 2025–2027;
- conducting advertising campaigns, for example for vehicle insurance, property insurance.

System of governance

- The Management Board approved changes to the management system (risk management system and internal control system and business continuity management) at PZU and PZU Życie;

The Management Board adopted:

- annual report on the activities of the Internal Audit Department in 2024, including an assessment of the internal control system and risk management system;
- own risk and solvency assessment (ORSA) report of PZU Group, PZU and PZU Życie;
- updated PZU Group's Corrective Action Plan – a document covering the PZU Group's significant entities, in particular banks operating within it, which is an additional tool utilized at the financial conglomerate level that enables efficient organization and effective operation of risk management systems in the PZU Group. The Plan is updated annually based on the annual ORSA process and includes stress scenarios. The Plan includes stress scenarios at the end of the last reporting year and a baseline scenario developed as part of the annual ORSA process;
- approval of the Corporate Governance Policy for Domestic Entities and the Corporate Governance Policy for Foreign Entities.

The Management Board amended:

- Risk management strategy for the PZU Group;
- Actuarial risk management policy at PZU;
- Market risk management policy at PZU and PZU Życie;
- Credit risk and concentration risk management policy at PZU;
- Operational risk management policy at PZU SA and PZU Życie SA.

The Management Board adopted other resolutions to implement and update various policies at PZU and PZU Życie, for example:

- Compliance Policy;
- Outsourcing Policy at PZU and PZU Życie;
- ICT incident management policies;
- Internal control policy in the PZU Group;
- Planning and controlling policy at PZU Group;
- PZU Group's claims handling and benefits policies;
- Cooperation policy in the area of M&A in the PZU Group;
- Date & AI policy at PZU and PZU Życie;

- Sanction policy in PZU SA and PZU Życie;
- Security policy in PZU and PZU Życie;
- Tax policy in the PZU Group;
- Personal data protection policy at PZU and PZU Życie;
- Sustainable development policy in the PZU Group;
- Policy of the information, data and analytics management area in the PZU Group;
- Corporate governance policies for domestic entities and corporate governance policies for foreign entities.

Other

- The Management Board adopted resolutions on personnel matters (concerning PZU Group Directors) and on remuneration for PZU Group Directors and Senior Management.
- The Management Board adopted a report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services for 2024:
- The Management Board adopted a Policy implementing within the PZU Group the provisions of European Parliament and Council Directive (EU) 2022/2381 of 23 November 2022, known as “Women on Boards”;
- The Management Board introduced amendments to the PZU Management Board Rules of Procedure.

7.3.1.2. Management Board’s priorities in 2026

The Management Board’s priorities for 2026 will include, in particular:

- preparing the PZU Group for a capital reorganization to enable its implementation following the entry into force of statutory legal changes facilitating the planned transformations within the PZU Group;
- implementing the PZU Group Strategy 2025–2027 in terms of achieved KPIs and executing strategic initiatives and projects;
- improving financial results, including revenues, cost efficiency, and the capital security of ongoing operations;
- continuing work on the implementation of the internal capital management model;
- introducing new pricing and risk segmentation models to better align offerings with customer needs and risk pricing;
- preparing for the implementation of a new claims management system to enhance customer experience and improve process efficiency;
- unifying sales channels (front-ends), improving policy renewal processes, and strengthening relationships with agents and multi-agency partners;
- reversing negative trends in MTPL insurance to increase market share;
- increasing profitability and revenues in the health segment, including development of self-service in digital channels, standardization of patient pathways, and expansion of the network of owned facilities;
- increasing sales of individual life insurance by making offers and processes available through digital channels, especially IK, and developing dedicated products for the silver and middle-age generations;
- strategic development of competencies and efficiency within the AI transformation, investing in the replacement of key systems to reduce technological debt;
- transforming organizational culture toward greater employee engagement;
- implementing ESG initiatives in health, education, trust in insurance, and preventive campaigns aimed at building a society resilient to the challenges of the current era.

7.3.2. Supervisory Board

The Supervisory Board operates pursuant to the provisions of the Commercial Companies Code, the Regulations of the Supervisory Board of PZU and the Articles of Association of PZU. The Supervisory Board of PZU is composed of seven to eleven Members. The number of Supervisory Board Members is specified by the Shareholder Meeting.

Rules for the appointment and dismissal of the Members

Members of the Supervisory Board are appointed and dismissed by the Shareholder Meeting. However, the PZU Articles of Association grant the State Treasury the right to appoint and dismiss one member of the Board by means of a written statement delivered to the Management Board; this right expires when the State Treasury ceases to be a shareholder of PZU.

The Supervisory Board is appointed for a common three-year term. The Articles of Association provide that half of the members of the Board elected by the Shareholder Meeting shall come from candidates nominated by the State Treasury – until its share in the share capital falls below 20%. At that point, the right passes to the shareholder holding the largest stake in PZU, provided they hold at least 20% of the capital.

The Board elects from among its members a Chairperson and Vice-Chairperson, and optionally a Secretary. A member's mandate expires at the end of the term, upon death, resignation, or dismissal. In the event of a mandate expiring during the term, a new member is appointed for the remainder of the term.

Suitability assessment

Members of the Supervisory Board are subject to an individual suitability assessment, while the entire Board undergoes a collective assessment. The assessment rules, which also cover the Audit Committee, were adopted by Ordinary Shareholder Meeting Resolution No. 33/2021 of 16 June 2021 (as amended).

Assessments are conducted at least once a year, as well as upon the nomination of a candidate to the Board (initial assessment) and whenever its composition changes (collective assessment). In the case of a member appointed by the State Treasury under the Articles of Association, the initial assessment is carried out by the State Treasury itself. Assessment of the suitability of candidates for Members of the Supervisory Board is carried out on the basis of documents provided by the person being assessed, statements and information submitted, as well as completed forms and attachments.

Verification is carried out based on documents, statements, and forms, and covers the following criteria:

- competence;
- guarantee– including reputation and credibility;
- independence of the Board member;
- independent judgment, including no conflict of interest, and possibility of sufficient time dedication to the position.

A candidate should have appropriate education, preferably in areas such as insurance, finance, economics, law, accounting, auditing, management, mathematics, physics, or information technology. Specialized qualifications are also important, e.g., actuary, statutory auditor, investment advisor, legal counsel, or attorney. The assessment also takes into account the Diversity Policy adopted by the Shareholder Meeting.

The Nomination and Compensation Committee presents a proposal for the individual suitability assessment to the Supervisory Board, which approves it by resolution and submits it as a report to the Shareholder Meeting, which makes the final decision.

The term of office of the Supervisory Board

The term of office of the Supervisory Board began with the appointment of the Supervisory Board at the Regular Shareholder Meeting of PZU convened on 7 June 2023, and covers three consecutive full financial years 2024–2026.

Composition of the Supervisory Board at the beginning and end of 2025 and at the date of publication of the report

	Composition of the Supervisory Board 1 January 2025			
Position	**Person**	**Statutory Independence***	**Knowledge, skills and qualifications**	**Committees**
Chairman	Marcin Kubicza	YES	Law, Corporate governance	
Deputy Chairman	Małgorzata Kurzynoga	YES	Law	NCC
Secretary	Anna Machnikowska	YES	Law	SC
Member	Michał Bernaczyk	NO	Law	NCC
Member	Anita Elżanowska	NO	Law	SC
Member	Filip Gorczyca	YES	Finance, accounting / Audit of financial statements	AC, SC
Member	Michał Jonczynski	YES	Economics, accounting / Audit of financial statements	NCC
Member	Andrzej Kaleta	YES	Economics, management	SC, AC
Member	Wojciech Olejniczak	YES	Economics, finance	NCC
Member	Adam Uszpolewicz	YES	Finance, insurance, accounting / Audit of financial statements	AC

	Composition of the Supervisory Board 31 December 2025 and as of the date of publication of the report			
Position	**Person**	**Statutory Independence***	**Knowledge, skills and qualifications**	**Committees**
Chairman	Marcin Kubicza	YES	Law, Corporate governance	
Deputy Chairman	Małgorzata Kurzynoga	YES	Law	NCC
Secretary	Anna Machnikowska	YES	Law	SC
Member	Jarosław Antonik	YES	Economics/ Equity investments	
Member	Anita Elżanowska	NO	Law	SC
Member	Michał Jonczynski	YES	Economics, accounting / Audit of financial statements	NCC
Member	Andrzej Kaleta	YES	Economics	AC, SC
Member	Kazimierz Karolczak	YES	Management	NCC
Member	Beata Stelmach	NO	Finance/Management	NCC
Member	Maciej Szwarc	YES	Economics	AC, SC
Member	Adam Uszpolewicz	YES	Finance, insurance, accounting / Audit of financial statements	AC

Key:
AC – Audit Committee
NCC – Nomination and Compensation Committee
SC – Strategy Committee

*in accordance with the independence criteria indicated in the Act of 11 May 2017 on auditors, audit firms and public supervision

Changes in the composition of the Supervisory Board from 1 January 2025 to 31 December 2025

- On 1 January 2025, the composition of the Supervisory Board was as follows: Marcin Kubicza, Małgorzata Kurzynoga, Anna Machnikowska, Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Wojciech Olejniczak, Adam Uszpolewicz;
- on 10 January 2025, the Extraordinary Shareholder Meeting of PZU dismissed Wojciech Olejniczak from the Supervisory Board;
- on 21 January 2025, the Extraordinary Shareholder Meeting of PZU appointed Andrzej Klesyk to the Supervisory Board.
- on 27 January 2025, the Supervisory Board delegated the Supervisory Board Member Andrzej Klesyk to temporarily perform the function of the President of the PZU Management Board until the appointment of the President of the PZU Management Board, but for a period not exceeding 3 months;
- On 28 February 2025, Andrzej Klesyk tendered his resignation from the Supervisory Board, effective 2 March 2025;
- on 25 June 2025, the Ordinary Shareholder Meeting of PZU dismissed Michał Bernaczyk from the Supervisory Board and appointed Maciej Szwarc and Beata Stelmach as its members.
- on 22 October 2025, the Minister of State Assets appointed Kazimierz Karolczak to the Supervisory Board by written statement;
- on 3 November 2025, Filip Gorczyca submitted his resignation from the Supervisory Board effective 3 November 2025;
- on 23 December 2025, the Extraordinary Shareholder Meeting of PZU appointed Jarosław Antonik to the Supervisory Board.
- The individual suitability assessments conducted in 2025 confirmed that all members of the Supervisory Board possess the appropriate knowledge and skills and meet all the suitability criteria necessary to perform their functions. The PZU Shareholder Meeting also confirmed the collective suitability of the PZU Supervisory Board.
- Changes in the composition of the Supervisory Board in the period from 1 January 2026 to the date of publication of the report
- There were no changes in the composition of the Supervisory Board after the balance sheet date and up to the date of publication of the report.

Independence

The independence criteria specified in the Act on Statutory Auditors were met by the following individuals:

- as of the date of publication of the report and as of 31 December 2025:
  - Marcin Kubicza, Małgorzata Kurzynoga, Anna Machnikowska, Jarosław Antonik, Michał Jonczynski, Andrzej Kaleta, Kazimierz Karolczak, Maciej Szwarc, Adam Uszpolewicz
    (i.e., 9 out of 11 members of the Supervisory Board);
- in 2025:
  - Marcin Kubicza, Małgorzata Kurzynoga, Anna Machnikowska, Jarosław Antonik, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Kazimierz Karolczak, Andrzej Klesyk, Wojciech Olejniczak, Maciej Szwarc, Adam Uszpolewicz.

The independence criteria specified in the Best Practices of WSE-Listed Companies 2021 (WSE BP 2021) were met by the following individuals:

- as of the date of publication of the report:
- Małgorzata Kurzynoga, Anna Machnikowska, Jarosław Antonik, , Andrzej Kaleta, Kazimierz Karolczak, Maciej Szwarc, Adam Uszpolewicz
  (i.e., 7 out of 11 members of the Supervisory Board);
- as at 31 December 2025:
- Anna Machnikowska, Jaroslaw Antonik, Andrzej Kaleta, Kazimierz Karolczak, Maciej Szwarc, Adam Uszpolewicz
  (i.e. 6 out of 11 members of the Supervisory Board);
- in 2025:
  - Małgorzata Kurzynoga, Anna Machnikowska, Jarosław Antonik, Michał Bernaczyk, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Kazimierz Karolczak, Andrzej Klesyk, Wojciech Olejniczak, Maciej Szwarc, Adam Uszpolewicz.

The verification was carried out on the basis of the statements made by the Members of the Supervisory Board and their subsequent update, if any, in the event of a change in the circumstances forming the basis for the original statement. The content of the statements refers to the independence criteria enumerated in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and point 2.3 of WSE BP 2021.

Diversity

Persons serving on the Supervisory Board of PZU had diverse educational background, expertise, were highly qualified, had suitable competence and professional experience as outlined in Section 7.3.3. Diversity policy. They ensured an appropriate collegial oversight of all areas of PZU's operations and guaranteed that a broad and comprehensive spectrum of views and opinions will be taken into account while evaluating work of the Management Board and the operation of PZU.

Competencies of Members of the Supervisory Board

Competencies of Members of the Supervisory Board as at 31 December 2025 and the date of publication of the report



Marcin Kubicza

Chairman of the Supervisory Board (independent member)

On the Supervisory Board since 7 June 2023

Education

He graduated from the Faculty of Law and Administration at the University of Warsaw (2004) and the Institute of International Relations (2002) of the same university. He participated in the Executive Doctor of Business Administration program at the Institute of Economic Sciences of the Polish Academy of Sciences (2012–2014). He completed his prosecutor's training culminating in a successful prosecutor's exam in 2008. Since 2008 he has been registered in the list of attorneys of the Bar Association in Kielce and since 2009 in the list of attorneys-at-law kept by the Council of the District Chamber of Legal Advisers in Warsaw.

Experience

He has many years of experience as a manager in large entities providing legal support and service as well as corporate governance, also in a capital group which included entities belonging to the banking, pension, property and life insurance sectors, as well as entities from the public finance sector responsible for the management of the state budget funds.



Małgorzata Kurzynoga

Deputy Chairman of the Supervisory Board (independent member)

On the Supervisory Board since 15 February 2024

✓ Member of the Nomination and Compensation Committee

Education

She holds the post-doctoral degree of Doctor of Science in Law and is a professor of the University of Łódź. She is an attorney-at-law.

Through over a dozen years of experience, she combined research and practice, being a Professor at the Department of European, International and Collective Labour Law at the University of Łódź, and an attorney-at-law. She specializes in individual and collective labor law, EU law, and new technologies.

She graduated from two long-cycle master's programs: in law and in administration. From 2006 to 2010, she was on a full-time third-cycle at the Department of European Law, University of Łódź. In 2010, she became a Doctor of Philosophy in Law, and in 2019, she was awarded the post-doctoral degree of Doctor of Science. Since 2020, she has been a professor at the University of Łódź. In 2023, she was named one of the "25 most prominent women lawyers in business" by Forbes Women.

Experience

She wrote over 80 scientific publications and more than a dozen editorials. She has received numerous awards; among other things, from 2015 to 2018 she was the recipient of the Scholarship of the Minister for Outstanding Young Scientists.

She provides advisory to employers and public institutions. She represents corporate clients in court proceedings in labor law and conducts negotiations with labor unions. She has experience in internal explanatory proceedings and legal audits. She provides analyses and expert legal opinions concerning selected provisions of the Polish and EU law on business compliance, ensuring that the Company's operations are conducted in accordance with the requirements of applicable private and public law. She drafts and reviews internal regulations in order to align company policies with the requirements arising from EU directives that have been or are to be implemented into Polish law. She supports employers in strategic workforce management and in building a strong and positive organizational culture to ensure the company's long-term competitiveness.

From 27 August to 31 December 2025, she served as a member of the Supervisory Board of Polskie Linie Lotnicze LOT S.A.

She undertakes initiatives supporting women, promotes equality and anti-discrimination attitudes, and advocates for labor law mechanisms enabling the sharing of caregiving responsibilities between women and men.



Anna Machnikowska

Secretary of the Supervisory Board (independent member)

On the Supervisory Board since 15 February 2024

✓ Member of the Strategy Committee

Education

She holds a post-doctoral degree in legal sciences and is a Professor at the University of Gdańsk, where she serves as Head of the Department of Civil Procedure. She is a legal counsel (legal counsel traineeship completed in 1996; judicial traineeship and judicial examination completed in 1994).

Experience

In the years 2012–2019, she served as Vice-Rector for Education, and in 2021–2024 she was a member of the University Council of the University of Gdańsk. From 2020 to 2022, she served as the Member (and the President in 2022) of the Scientific Policy Committee. Since 2022, she has served as an arbitrator and, since 2026, as Vice-President of the Court of Arbitration at the General Counsel to the Republic of Poland. Since 2024, she has been a member of the National Council of Legal Advisers and Deputy Head of the Research, Studies and Legislation Center. Since 2004, she has held positions on supervisory boards of joint-stock companies, including those operating under public-private partnership arrangements.



Jarosław Antonik

Independent Member of the Supervisory Board

On the Supervisory Board since 23 December 2025

Education

He graduated from the Łódź University of Technical – Faculty of Electrical Engineering; in 1998, he completed Postgraduate Studies in Capital Investments at the SGH Warsaw School of Economics; in 2009, he completed Doctoral Studies in Economics at the SGH Warsaw School of Economics.

Experience

Since 2018: Vice-President of the Management Board of Seen Holding sp. z o.o. (ownership supervision of partner companies implementing water treatment technology and environmental protection projects) and Vice-President of the Management Board of QP2 Sp. z o.o. offering business consulting, investment activities in VC and Private Equity projects, mission investment projects. 2011–2017: Member of the Management Board responsible for investments, product development, and innovation at KBC Towarzystwo Funduszy Inwestycyjnych S.A. (company belonging to the Belgium-based international financial group KBC, which also included the insurance company Warta S.A.), among others, Chair of the Investment Committee and Research and Innovation Board of KBC AM. Methodologist in Lean Management certified by KBC Asset Management. 2001–2005: Member of the Supervisory Board of Warta S.A. Thanks to his work with Warta Group S.A. and subsequent cooperation in asset management between KBC KBCTFI S.A. and Warta S.A., he participated in Warta S.A.'s Asset and Liability Management Committees from 2003 to 2017.

He has been professionally involved in numerous aspects of the capital market since 2001: macroeconomic analysis, credit analysis, company selection, creation and management of the investment process, preparation and commercialization of new investment products, and now also VC and Private Equity investments.

He serves as a Supervisory Board Member of Advanced Protection Systems S.A., Chair of the Supervisory Board and Audit Committee Member of Gaming Factory S.A., and Vice-Chair of the Supervisory Board of BrainScan S.A.

He is a Supervisory Board and Audit Committee Member of Mennica Polska S.A., and a Member of Supervisory Boards of Polska Fundacja Przedsiębiorczości and PGE Energia Ciepła S.A.

He also lectures on the investment process in investment fund management at the postgraduate program in Investment Banking at the SGH Warsaw School of Economics.



Anita Elżanowska

Supervisory Board Member

On the Supervisory Board since 15 February 2024

✓ Member of the Strategy Committee

Education

She is a lawyer, and has completed a program in law at the Faculty of Law and Administration, Maria Curie-Skłodowska University in Lublin.

Experience

She has over 24 years of professional experience in legal advisory services and public administration. Within her own law firm, she provides legal advisory services relating to purchase procedures, corporate affairs and contracts. She has provided services for entrepreneurs, including the largest companies with State Treasury shareholding, international corporations, as well as SMEs, higher education institutions, local government and administrative authorities.
Deputy Chairman of the Supervisory Board of Polskie Elektrownie Jądrowe Sp. z o.o.

She has managed projects as expert of the European Bank for Reconstruction and Development. She has served as the Vice-President of the Public Procurement Office and in that role was responsible for review and international cooperation. . She used to be an academic scholar at the SGH Warsaw School of Economics (postgraduate program in EU fund management) and at the Faculty of Law of the SWPS University, as well as a speaker at numerous conferences, including international ones.

She spoke at many conferences, including international events. She has written numerous publications concerning public procurement.



Michał Jonczynski

Independent Member of the Supervisory Board

On the Supervisory Board since 15 February 2024

✓ Member of the Nomination and Compensation Committee

Education

He obtained his degree of Doctor of Philosophy in Economics at the University of Gdańsk. Furthermore, he completed a postgraduate program in banking at the University of Economics and Business in Poznań. He also completed an MBA Executive Master of Business Administration program at the Kozminski University (Warsaw), a program at the Free University of Berlin as well as German Language and Literature studies at the Adam Mickiewicz University in Poland.

Experience

He began his professional career at Berliner Bank, and then served as Vice-President of Bankgesellschaft Berlin (Poland). He co-founded Interligo, an online bank.

He worked at the Polish Oil Concern Orlen served as Vice-President at Orlen Deutschland. From Orlen, he moved to the Deutsche Bank HQ in Frankfurt am Main. He returned to Warsaw to take the position as the Head of Personnel in the PZU Group.

From 2011 to 2016, he served as a Member of the Management Board of the Social Security Institution, and afterwards managed healthcare entities.



Andrzej Kaleta

Independent Member of the Supervisory Board

On the Supervisory Board since 15 February 2024

- ✓ Member of the Audit Committee
- ✓ Member of the Strategy Committee

Education
Full Professor of Economics, Rector of the Wrocław University of Economics and Business since 2016, head of its Department of Strategic Management.

Experience

In his research, he deals with issues of strategic management, competitive strategy, and entrepreneurship. He wrote over 200 scientific publications, largely on strategic management, e.g., “Realizacja strategii,” published by PWE in 2013. He provides advisory on strategic management process in corporations (e.g., ABB, ALSTOM, DIJO) and local government authorities (such as in: Bierutów Municipality, Bystrzyca Kłodzka, Wrocław and Sieradz District).

He is a Member of the Committee on Organisational and Management Sciences at the Polish Academy of Sciences. Chairman of the Supervisory Board of Impel S.A.



Kazimierz Karolczak

Independent Member of the Supervisory Board

On the Supervisory Board since 22 October 2025

- ✓ Member of the Nomination and Compensation Committee

Education
Graduate of the University of Silesia and postgraduate studies with a managerial profile at the SGH Warsaw School of Economics. He also completed postgraduate studies in real estate management and trading.

Experience
He is a manager with more than 25 years of experience in the public and private sectors, including the management of large organizations, capital companies and structures of strategic importance to the economy. Since 2017, he has served as President of the Management Board of the Upper Silesian and Zagłębie Metropolis – Poland's largest metropolitan association, comprising 41 cities and municipalities and more than 2.1 million residents.

In his career, he has been responsible for corporate governance, financial management, audit and control, implementation of multi-million dollar investment programs, and implementation of regional and supra-regional development strategies. As Vice-Marshal of the Silesian Voivodeship, he implemented and supervised the execution of the Regional Operational Program, under which several thousand agreements were concluded with a total value exceeding PLN 15 billion. He also led key infrastructure and institutional investment projects.

He has extensive experience in the private sector – he was, among other roles, the CEO and co-founder of one of the largest temporary employment agencies in Poland, which he successfully developed and integrated into an international capital group. He has managed companies operating in the services, HR and IT sectors, carrying out restructuring, consolidation and technological transformation projects.

For many years, he has served on the supervisory boards of infrastructure and public utility companies, including those of significant systemic importance, such as PKP Polskie Linie Kolejowe S.A. and water supply enterprises. He has passed the examination for candidates for supervisory board members of State Treasury companies. He specializes in corporate governance, risk management, financial control, operational efficiency, and oversight of large-scale investment programs.



Beata Stelmach

Supervisory Board Member

On the Supervisory Board since 25 June 2025

- ✓ Member of the Nomination and Compensation Committee

Education

She studied Finance and Statistics at the Warsaw School of Planning and Statistics. (now SGH – the SGH Warsaw School of Economics). She holds an MBA from INSEAD and previously earned an MBA from the University of Calgary. She is a graduate of executive programs at the New York Institute of Finance and the Saïd Business School at the University of Oxford. For many years, she has been actively involved in initiatives supporting women's career development and promoting corporate governance in business entities.

Experience

During Poland’s economic transformation, Beata Stelmach was involved in building the country’s capital market while working at the Securities and Exchange Commission. Between 2011 and 2013, she served as Undersecretary of State at the Ministry of Foreign Affairs, responsible for economic diplomacy and promoting Poland internationally.

In the business sphere, she led General Electric operations in Poland and the Baltic States and served as President of PZL Świdnik – a helicopter manufacturer and part of the global Leonardo Group. She has held supervisory board positions at several major companies, including Bank Millennium SA, HSBC Bank Polska SA, Bank BPH SA, KRUK SA, and Stalexport Autostrady SA. She also chaired the Supervisory Board of the Polish Association of Listed Companies (and served as its President from 2006 to 2011). As of 2025 she holds the position of President of the Management Board of Totalizator Sportowy sp. z o.o.

She has been awarded the Knight's Cross of the Order of Polonia Restituta for her outstanding service in foreign affairs and her professional and diplomatic contributions to Poland.



Maciej Szwarc

Independent Member of the Supervisory Board

On the Supervisory Board since 25 June 2025

- ✓ Member of the Audit Committee
- ✓ Member of the Strategy Committee

Education A graduate of the Faculty of Economic Sciences at the University of Warsaw, Columbia University, and IESE in Barcelona.

Experience
A manager with many years of experience in the financial and insurance sectors. He began his professional career in 1993 working in banking, and later focused on organizing financing for large projects (including Era GSM). From 1998 to 2015, he worked in the insurance industry, progressing from Chief Financial Officer to CEO. He was responsible for the Swiss Winterthur Group companies in Poland, and after their acquisition by the French AXA Group in 2006, he was in charge of the development of the company's operations in Poland. He participated in numerous development and M&A projects in the Polish and CEE markets.

He runs his own consulting business. He has many years of experience in serving on supervisory boards of insurance and public companies (including Winterthur Group and AXA Group companies in Poland and CEE, Bezpieczny.pl, Netia SA). He serves on the supervisory board of Mennica Polska SA, where he is a member of the Audit Committee.



Adam Uszpolewicz

Independent Member of the Supervisory Board

On the Supervisory Board since 15 February 2024

- ✓ Chair of the Audit Committee

Education He graduated from the University of Copenhagen. He holds an ACCA certificate. He is a Member of the Business Council at the British Chambers of Commerce.

Experience He has 30 years of experience in financial services, including over 20 years as president of Polish and foreign insurance companies.

From 2007 to 2022, he headed the British insurance and investment group Aviva in Poland. Prior to that, he was involved with the American Nationwide group, where his role was that of the president of insurance companies in Poland and Luxembourg. He has also worked as director of development at the London Branch of General Electric Capital, as well as certified auditor and consultant at Pricewaterhouse in Warsaw and London.

He sat in supervisory boards of various insurance and investment companies, among other things, in Poland, Luxembourg, France, Turkey and Lithuania.

He currently serves as an advisor at the British Polish Chamber of Commerce and sits in the Supervisory Board of the WWF Poland Foundation.

Competencies of other members serving on the Supervisory Board in 2025

(as per the status at the time of holding office)



Michał Bernaczyk

Supervisory Board Member

On the Supervisory Board from 15 February 2024 to 25 June 2025

- ✓ Member of the Nomination and Compensation Committee

Education He is an attorney-at-law and professor at the Department of Constitutional Law, Faculty of Law, Administration and Economics at the University of Wrocław. He completed a master's program in law; in 2007, he obtained the degree of Doctor of Philosophy in Law, while in 2015, the post-doctoral degree of Doctor of Science.

He completed his apprenticeship to become attorney-at-law at the Regional Chamber of Attorneys-at-Law in Wrocław (2007-2011, entry no. WR-2139), and practices at Kancelaria Gabriela Bar Law&AI based in Wrocław; he provides legal services for public administration authorities and entrepreneurs. He specializes in issues concerning access to and re-use of data, provision of digital services, and personal data protection. He represents clients in court proceedings, including administrative court proceedings, before the Supreme Court, the Constitutional Tribunal and the European Court of Human Rights.

Experience
He is an expert at the Research, Studies and Legislation Center of the National Council of Legal Advisers and an external expert at the Bureau of Research and Regulatory Impact Assessment of the Chancellery of the Sejm of the Republic of Poland.

His research interests include the issues of comparative constitutional law, and especially the impact of technological progress and artificial intelligence on the institutions of constitutional law (so-called digital constitutionalism), protection of information in public and private law, freedom of obtaining and publishing information, the influence of the state on the social and economic system as well as public law forms of business. From 2013 to 2015, he served as a permanent advisor to the Constitutional Responsibility Committee.

He has received numerous individual and group awards from the Rector of the University of Wrocław for academic scholars' original and creative scientific achievements. He has served as a principal investigator in national and international research projects. He has completed two research projects in the United States, lectures annually at summer law schools in Germany, and is the author of numerous scholarly publications, including monographs, commentaries, and academic articles published in Poland and abroad. He is currently working on the JuDDGES research project (funded by CHIST-ERA), which focuses on the implementation of artificial intelligence in the analysis of domestic and foreign court rulings.



Filip Gorczyca

Independent Member of the Supervisory Board

On the Supervisory Board from 15 February 2024 to 3 November 2025

✓ Member of the Audit Committee (until 3 November 2025)

Education He completed business management programs at the Harvard Business School and the Singularity University, as well as graduated in Finance and Banking from the SGH Warsaw School of Economics. He is a certified auditor and holds an ACCA (FCCA) certificate.

Experience He is a Member of the Management Board at the Association of Independent Non-Executive Directors. He represents it at ecoDa, an umbrella organization which brings together leading organizations of directors from across Europe. He is a Member of the Supervisory Boards at: CCC, Ferro, Develia, Artifex Mundi and VanKing Celkar Group. He presides over Audit Committees at CCC and Develia and sits in Audit Committees at Ferro and Artifex Mundi. From 2020 to 2021, he was a Member of the Supervisory Board at Protektor, while from 2017 to 2019, he served as the President of the Supervisory Board at Alior TFI.

From 2017 to 2019, he was the Vice-President of the Management Board and CFO at Alior Bank. Subsequently, from 2020 to 2021, he was a Member of the Management Board at the Luma Holding Ltd. Private equity fund. Earlier on, from 2016 to 2017, he was Senior Investment Director at Grupa Medicover, where he was responsible, among other things, for the initial public offering which ended with its first listing at Nasdaq Stockholm. From 2004 to 2016 he worked with the international advisory firm PwC, where from 2011, as Vice-President, he was responsible for capital market services in Central and Eastern Europe.



Andrzej Klesyk

Independent Member of the Supervisory Board

On the Supervisory Board from 21 January 2025 to 2 March 2025

Information on Education and experience is presented in section 7.3.1. Management Board



Wojciech Olejniczak

Supervisory Board Member

On the Supervisory Board from 15 February 2024 to 10 January 2025

Education He is a doctor of philosophy in economics (dissertation defended in 2007 at the Faculty of Law and Finance) at the Warsaw University of Life Sciences.

Experience Since 2015, he has been involved in the financial sector, first as an Advisor to the President of the National Bank of Poland, then from 2016 to 2019 as the Director of Agro Business Department at Alior Bank S.A.

Since 2019, he has been working with Grupa mBank S.A. (Investment Banking Department).

From 2015 to 2016 he served as an Advisor to the Government of Ukraine in supporting reforms of agri-food companies and institutional reforms of its Ministry of Agriculture and its agendas. From 2003 to 2005, he served as the Minister of Agriculture and Rural Development, responsible for introducing Poland to EU's common agricultural policy system. He was a Member of the 7th European Parliament (2009-2014), and sat in the Committee on Regional Development (REGI) and Committee on Agriculture and Rural Development (AGRI). From 2001 to 2009, he was a deputy to the Sejm. From 2013 to 2016, he was the President of the Polish Triathlon Union and a Member of the Executive Board of the Polish Olympic Committee.

Supervisory Board Competences

The Supervisory Board exercises ongoing oversight of PZU's current operations and development, including monitoring matters related to the company's impact on the economy, the environment, and society (ESG).

Its key responsibilities include, among others:

- reviewing the Management Board's reports and the financial statements of PZU and the Capital Group;
- evaluating the Management Board's motions to distribute the profit;
- preparing an annual written report of the Supervisory Board for the Shareholder Meeting;
- approving reports on the solvency and financial condition of PZU and the Group;
- selecting the audit firm for statutory audits, reviews of financial statements, and solvency reports;
- approving multi-year development plans (strategies) and annual financial plans;
- providing opinions on matters submitted by the Management Board to the Shareholder Meeting;
- preparing a report on the remuneration of members of the Management Board and the Supervisory Board;
- entering into, terminating, or amending contracts with members of the Management Board and determining their remuneration principles;
- appointing, suspending, and dismissing the President and members of the Management Board;
- approving the Rules and Regulations of the Management Board;
- granting consent for PZU to carry out significant transactions with related parties.

Mode of operation

The Board adopts its own Rules of Procedure, which define its organization and work procedures. Meetings are held as needed, but at least quarterly, and may also take place via remote communication. The work of the Board is led by the Chairperson.

The Board may delegate its members to perform specific supervisory activities or establish temporary committees. Resolutions are passed by an absolute majority of votes; in the event of a tie, the Chairperson's vote decides. Resolutions may be adopted remotely, in writing, or – in accordance with the Articles of Association – by submitting a written vote through another Board member. Voting is open unless a member requests a secret ballot.

Meetings may be attended, without voting rights, by invited members of the Management Board, designated PZU employees, and other persons invited by the Board. The Board may also invite members of the Management Boards and Supervisory Boards of other PZU Group companies. With the Board's consent, its members may use advisors participating in meetings concerning reports and financial statements, provided they have signed a confidentiality statement.

To carry out its supervisory duties, the Board may examine all company documents, verify the state of its assets, and request from the Management Board, proxies, and employees any information, documents, and explanations regarding PZU, as well as information concerning subsidiaries and affiliated companies.

The Board may establish permanent or ad hoc committees and make use of expert services. PZU has three Supervisory Board committees:

- Audit Committee;
- Nomination and Compensation Committee,
- Strategy Committee.

Audit Committee

The Audit Committee was appointed by a Supervisory Board resolution of 3 June 2008. It consists of at least three members, with at least one possessing qualifications in accounting or auditing financial statements. The majority of members, including the Chairperson, must meet the independence criteria specified in the Act on Statutory Auditors. The rules for appointing and operating the Committee are determined by a resolution of the Supervisory Board, which takes into account the members' competencies and experience when making appointments.

The Audit Committee supports the Supervisory Board in overseeing financial reporting, the internal control system, internal audit, and risk management. It may also propose additional control activities to be carried out by internal or external units. PZU applies the KNF Best Practices regarding the functioning of audit committees.

The scope of the Committee's operations includes:

- monitoring the PZU's financial reporting process,
- monitoring the effectiveness of the internal control, risk management, and internal audit systems;
- supervising the audit of financial statements and considering the findings of the Polish Audit Supervision Agency;
- assessing the independence of the statutory auditor and the audit firm;
- providing advice and opinions on matters within the Supervisory Board's responsibilities;
- recommending audit firms for audits, reviews, and assurance of sustainability reports;
- controlling the independence of the statutory auditor and audit firms, including approving permitted services;
- informing the Board of audit results and the Committee's role in the audit process;
- developing policies for selecting audit firms and rules for providing permitted services;
- establishing the auditor selection procedure;
- making recommendations regarding financial reporting;
- supervising the compliance function;
- monitoring the implementation of recommendations issued by the statutory auditor, internal audit, the Supervisory Board, and the Committee.

Composition and changes in the composition of the Audit Committee

	1 January 2025 – 2 July 2025	3 July 2025 – 3 November 2025	4 November 2025 – 31 December 2025 and until the date of publication of the report
Position			
Chairman	Adam Uszpolewicz	Adam Uszpolewicz	Adam Uszpolewicz
Member	Filip Gorczyca	Filip Gorczyca	
Member	Michał Jonczynski	Andrzej Kaleta	Andrzej Kaleta
Member	Andrzej Kaleta	Maciej Szwarc	Maciej Szwarc

Independence and qualifications of Audit Committee members

	1 January 2025 – 2 July 2025	3 July 2025 – 3 November 2025	4 November 2025 – 31 December 2025 and until the date of publication of the report
Independence declarations	All members have submitted statements of independence in accordance with Article 129(3) of the Act on Statutory Auditors, as well as declarations confirming their knowledge and skills in the industry in which PZU operates.		
Qualifications in accounting / auditing of financial statements	Adam Uszpolewicz Filip Gorczyca Michał Jonczynski	Adam Uszpolewicz Filip Gorczyca Maciej Szwarc	Adam Uszpolewicz Maciej Szwarc
Knowledge and skills in the insurance industry	Adam Uszpolewicz Michał Jonczynski	Adam Uszpolewicz Maciej Szwarc	Adam Uszpolewicz Maciej Szwarc

Knowledge, skills and experience of Audit Committee members including the way in which they were acquired

Position	Person	Knowledge, skills	Experiencing
Chairman	Adam Uszpolewicz	Finance, insurance, accounting	He has 30 years of experience in financial services, including over 20 years as president of Polish and foreign insurance companies.
Member	Andrzej Kaleta	Economics	Rector of the Wrocław University of Economics, author of over 200 scholarly publications, mostly on strategic management
Member	Maciej Szwarc	Economics	Manager with many years of experience in the financial and insurance sectors, who has served on the supervisory boards of insurance companies and public companies
Member	Filip Gorczyca	Finance, accounting	Member of supervisory boards and audit committees of multiple companies, associated with the financial sector
Member	Michał Jonczynski	Economics, accounting	PhD in economics, manager with experience in the financial sector

Detailed information on the knowledge, skills and experience of the members of the Audit Committee, along with an indication of how they were acquired, has been presented in the competencies section on pages 230–234 of the statement.

Nomination and Compensation Committee

The Nomination and Compensation Committee was appointed by a Supervisory Board resolution of 12 May 2010. The number of its members is determined by the Board, and the Committee must include at least one independent member.

The Committee supports the Supervisory Board in overseeing the governance structure, organizational solutions, remuneration principles, and the selection of personnel with appropriate qualifications.

The Committee's responsibilities include, in particular, providing opinions and presenting recommendations to the Board regarding:

- entering into, terminating, or amending contracts with members of the Management Board and determining their remuneration principles;
- setting the levels of remuneration, bonuses, and additional benefits for the Management Board;
- appointing, suspending, and dismissing the President and members of the Management Board, as well as decisions on the termination of suspension;
- delegating Board members to temporarily perform the functions of Management Board members;
- assessing the suitability of:
- individual candidates for the Management Board, members of the Management Board, and the collective assessment of the Management Board;
- individual candidates for the Audit Committee, members of the Supervisory Board's Audit Committee, and the collective assessment of the Audit Committee;
- approving proposals for assessing the suitability of candidates for the Supervisory Board and its members.

Strategy Committee

The Strategy Committee was established by a resolution of the Supervisory Board on 29 July 2010. The number of its members is determined by the Board, which appoints them from among its own members.

The Committee supports the Supervisory Board in overseeing strategic matters, in particular by reviewing strategic documents submitted by the Management Board (including development strategies) and recommending decisions regarding investments significant to PZU's assets.

The Committee's responsibilities include, in particular, providing opinions and presenting recommendations to the Board regarding:

- approval of PZU's multi-year development plans;
- planned investments in PZU and the PZU Group;
- granting consent for PZU to enter into agreements with sub-issuers (Article 433 §3 of the Commercial Company Code);
- principles for acquiring, subscribing for, or disposing of shares and equity interests in companies, as well as PZU's participation in other entities;
- granting consent for the transfer of all or part of the insurance portfolio.

Composition and changes in the composition of the Nomination and Compensation Committee

	1 January 2025 – 9 January 2025	10 January 2025 – 25 June 2025	3 July 2025 – 18 November 2025	19 November 2025 – 31 December 2025 and until the date of publication of the report
Position				
Chairman	Małgorzata Kurzynoga	Małgorzata Kurzynoga	Małgorzata Kurzynoga	Małgorzata Kurzynoga
Member	Michał Bernaczyk	Michał Bernaczyk	Michał Jonczynski	Michał Jonczynski
Member	Wojciech Olejniczak	Michał Jonczynski	Beata Stelmach	Kazimierz Karolczak
Member	Michał Jonczynski			Beata Stelmach

	1 January 2025 – 26 January 2025	27 January 2025 – 2 March 2025	3 March 2025 – 2 July 2025	3 July 2025 – 3 November 2025	4 November 2025 – 31 December 2025 and until the date of publication of the report
Position					
Chairman	Andrzej Kaleta	Andrzej Kaleta	Andrzej Kaleta	Andrzej Kaleta	Andrzej Kaleta
Member	Anita Elżanowska	Anita Elżanowska	Anita Elżanowska	Anita Elżanowska	Anita Elżanowska
Member	Filip Gorczyca	Filip Gorczyca	Filip Gorczyca	Filip Gorczyca	Anna Machnikowska
Member	Anna Machnikowska	Anna Machnikowska	Anna Machnikowska	Anna Machnikowska	Maciej Szwarc
Member		Andrzej Klesyk		Maciej Szwarc	

7.3.2.1. Activity of the Supervisory Board and Supervisory Board Committees in 2025

In 2025, all members of the Supervisory Board devoted an appropriate amount of time to performing their duties and demonstrated a high level of commitment to the work of the body. They actively participated in the meetings of the Supervisory Board and its committees, thoroughly analyzed the materials, submitted motions, and formulated recommendations. All members took an active part in discussions, provided substantive comments, and were very well prepared for the meetings.

The members of the Supervisory Board participated in oversight processes covering, among other areas, risk, audit, strategy, remuneration, ESG and corporate governance. All of them demonstrated full readiness and availability to perform their duties, ensuring effective and continuous supervision of the Company's operations.

To exercise comprehensive oversight, the Supervisory Board maintained continuous contact with the Management Board, monitoring the company's situation in the context of macroeconomic and regulatory conditions. The Board regularly submitted inquiries to the Management Board and received complete materials concerning matters on the meeting agenda, as well as other issues significant to PZU's operations.

The Supervisory Board held **17 meetings**, during which it adopted **145 resolutions**, and adopted **21 resolutions by written procedure**. Meetings were held in a hybrid format, with some members attending in person and others remotely.

Participation of members in meetings of the Supervisory Board, Audit Committee, Nomination and Compensation Committee and Strategy Committee in 2025

	Period of service on the Supervisory Board	Frequency at meetings							
		Supervisory Board		Audit Committee		Nomination and Compensation Committee		Strategy Committee	
Marcin Kubicza		17/17	100%						
Małgorzata Kurzynoga		17/17	100%			14/14	100%		
Anna Machnikowska		17/17	100%					3/3	100%
Jarosław Antonik	since 23 December 2025	1/1	100%						
Michał Bernaczyk	until 25 June 2025	10/10	100%			7/7g)	100%		
Anita Elżanowska		17/17	100%					3/3	100%
Filip Gorczyca	until 3 November 2025	15/15	100%	11/11e)	100%			2/2k)	100%
Michał Jonczynski		17/17	100%	8/8d)	100%	13/14	93%		
Andrzej Kaleta		16/17	94%	15/15	100%			3/3	100%
Kazimierz Karolczak	since 22 October 2025	2/2	100%			2/2i)	100%		
Andrzej Klesyk	from 21 January 2025 to 2 March 2025 (from 27 January 2025 to 2 March 2025 delegated to temporarily perform the duties of the President of the Management Board)	1/2a)	50%						
Wojciech Olejniczak	until 10 January 2025	c)							
Beata Stelmach	since 25 June 2025	7/8	87%			5/7h)	71%		
Maciej Szwarc	since 25 June 2025	8/8b)	75%	6/7f)	86%			2/2j)	100%
Adam Uszpolewicz		16/17	94%	15/15	100%				

*) Attendance at meetings/number of meetings while in office

a) in connection with the delegation of a Supervisory Board Member to temporarily perform the activities of the President of the Management Board, she did not participate in meetings of the Supervisory Board as a Member of the aforementioned body during the period from 27 January 2025 to 2 March 2025

b) in connection with the application submitted in the qualification procedure for President of the Management Board of PZU SA, did not participate in the meetings of the Supervisory Board during the period from 6 September 2025 to 24 September 2025

c) dismissed from the Supervisory Board as of 10 January 2025

d) on the Audit Committee until 3 July 2025

e) on the Audit Committee until 3 November 2025

f) on the Audit Committee since 3 July 2025

g) on the Nomination and Compensation Committee until 25 June 2025

h) on the Nomination and Compensation Committee since 3 July 2025

k) on the Nomination and Compensation Committee since 19 November 2025

j) on the Strategy Committee since 3 July 2025

k) on the Strategy Committee until 3 November 2025

The main areas of Supervisory Board's activity in 2025

Strategy execution

- The Supervisory Board monitored the implementation of the PZU Group Strategy for 2025–2027, both the achievement of KPIs and progress in implementing strategic initiatives and projects;

Relations with the auditor

- The Supervisory Board has been in contact with the auditor (PwC), discussing the results of the audit of the PZU Group's annual consolidated financial statements for 2024 and the PZU Group's annual individual financial statements for 2024, as well as the audit of the solvency and financial condition reports of PZU and the PZU Group for the year ended 31 December 2024.
- The Supervisory Board has been in contact with the auditor (PwC) discussing the results of the review of the condensed interim consolidated financial statements of the PZU Group for H1 2025 and the condensed interim individual financial statements of PZU for H1 2025.
- The Supervisory Board selected an audit firm to perform attestation of PZU Group sustainability reporting for 2025.

The Supervisory Board changed:

- Policy for the selection of an audit firm to perform the audit;
- Policy for the provision of permitted services by the audit firm performing the audit, by related parties thereof, and by a member of the audit firm of permitted non-audit services;
- Procedure for the selection of an audit firm.

Finance

- At its meetings, the Supervisory Board systematically discussed and evaluated the performance of the PZU Group and individual business divisions in relation to the PZU and PZU Group financial plan for 2025 approved in January 2025. In December 2025, the Supervisory Board approved the 2026 financial plan.
- The Board conducted an ongoing assessment of financial security of the business and financial result of PZU and the PZU Group based on the information received, including in particular:
  - quarterly, semi-annual and annual information on the financial results of PZU and the PZU Group,
  - PZU market share,
  - reinsurance program,
  - capital adequacy for PZU and the PZU Group,
  - reports on the use of concentration limits and thresholds in the PZU Financial Conglomerate.

In addition, the Supervisory Board, executed the following activities (the list is not exhaustive):

- approved the PZU solvency and financial condition report for the year which ended on 31 December 2024 and the PZU Group solvency and financial condition report for the year which ended on 31 December 2024;
- issued a positive opinion on the PZU Management Board's motion to the Shareholder Meeting to distribute PZU's net profit for the year which ended on 31 December 2024.

Internal audit, compliance, risk and internal control system

In terms of supervision, the Supervisory Board was informed about the activities of the internal audit, compliance, risk management and internal control functions. Among other things, the Board received information on the results of conducted audits and external inspections, and the phase of implementation of post-audit recommendations. It also conducted reviews of major risk areas. In particular, the Board received information on the results of the following:

- its own risk and solvency assessment with a summary of the annual risk analysis process and identification of key risks (ORSA assessment);
- Examination and Supervisory Assessment of insurance and reinsurance companies carried out annually by the Polish Financial Supervision Authority (BION assessment);

as well as:

- quarterly risk reports, including information on compliance risk management at PZU and PZU Group companies.

In addition,

the Supervisory Board approved:

- Risk management strategy for the PZU Group;
- amendments to the Rules and Regulations of the PZU Management Board;

Other

The Supervisory Board in particular:

- established management goals for the Management Board members for 2025 and assessed the achievement of the Management Goals, conditioning the Manager's ability to receive variable remuneration for 2024;
- established the unified text of the Articles of Association of PZU;
- amended the Rules of Regulations of the Supervisory Board of PZU;
- changed the Rules of Procedure of the Audit Committee of the Supervisory Board of PZU;
- gave an opinion on the PZU Management Board's proposal to the Shareholder Meeting on the adoption of the Policy on gender balance in the Management and Supervisory Boards of PZU;
- gave an opinion on the Policy implementing within the PZU Group the provisions of European Parliament and Council Directive (EU) 2022/2381 of 23 November 2022, known as “Women on Boards”;
- the Supervisory Board monitored the costs of contracts for legal, marketing, public relations and management consulting services, and granted approvals for sponsorship agreements, advertising campaign agreements, social media communications and strategic consulting agreements;
- the Supervisory Board Evaluated and approved the 2024 Interim Evaluation Report on transactions by PZU and PZU subsidiaries with related parties;
- the Supervisory Board made a secondary assessment of the individual suitability of Supervisory Board members and Audit Committee members, as well as a primary assessment of the individual suitability of candidates for Management Board members, Audit Committee members and the Supervisory Board, and a collective assessment of the suitability of the Management Board and Audit Committee. In addition, the Supervisory Board assessed the individual suitability of the Supervisory Board member delegated to temporarily perform the duties of the President of the Management Board;
- it also conducted qualification proceedings for the position of President of the Management Board;
- the Supervisory Board adopted the Report on Remuneration of Members of the Management Board and Supervisory Board for 2024;
- the Supervisory Board monitored work related to the audit of selected areas of PZU’s operations;
- The Supervisory Board conducted a review of the operations of PZU Group companies, in particular:
  - Ukrainian companies in the PZU Group in connection with the ongoing armed conflict in Ukraine,
  - LINK4,
  - PZU Zdrowie.

In addition, the Supervisory Board agreed to:

- take up shares in the increased share capital of PZU Zdrowie.

At meetings, the Supervisory Board also received information on the subject of resolutions adopted by the Management Board and significant events related to the company’s affairs, particularly in the areas of operations, investment and personnel, including with regard to subsidiaries.

The most important issues dealt with by the committees of the Supervisory Board

During regular meetings held in 2025 the Supervisory Board’s committees discussed in detail the most important issues relating to various areas of the company’s business, which must be approved by the Supervisory Board in accordance with the prevailing regulations, and presented information on their work to the Supervisory Board.

Audit Committee

In 2025, there were **15 meetings** of the Audit Committee, at **6 meetings** issues related to the PZU Group's sustainability reporting and attestation were discussed.

Key issues addressed by the Audit Committee in 2025 covered the discussions on:

- the risk report for Q4 2024 and for Q1–3 2025;
- the report on the use of the limit and concentration thresholds in the PZU financial conglomerate as at the end of 2024 and the first three quarters of 2025;
- the results of PZU's and PZU Group's own risk and solvency assessment;
- implementation of the Risk Area Strategy for the years 2021–2024;
- the annual report on the Internal Audit Department’s activity in 2024;

- the findings of external inspections conducted in PZU in 2024;
- the report on the Internal Audit Department's activity in Q4 2024 and Q1–3 2025;
- the draft audit plan for 2026;
- the results of PZU and the PZU Group for 2024, the H1 2025 and Q1 and Q3 2025;
- the additional report for the Audit Committee;

In 2025, the Committee made recommendations to the Supervisory Board on:

- the assessment of PZU's financial statements and the consolidated financial statements of the PZU Group for the year ended 31 December 2024, as well as the Management Board's report on the activities of the PZU Group and PZU for 2024, including the sustainability reporting for the same period;
- the Management Board's motion to the Shareholder Meeting to distribute PZU's net profit for the year which ended on 31 December 2024;
- approving the PZU Group's risk management strategy;
- assessing the solvency and financial condition report of PZU for the year which ended on 31 December 2024;
- assessing the solvency and financial condition report of PZU Group for the year which ended on 31 December 2024;
- the selection of PKF Consult Spółka z ograniczoną odpowiedzialnością sp. k. as the audit firm to perform the attestation of the PZU Group's sustainability reporting for 2025;
- updating a Policy for the selection of an audit firm to perform the audit;
- updating a Policy for the provision of permitted services by the audit firm performing the statutory audit, by related parties thereof, and by a member of the audit firm of permitted non-audit services;
- updating a Procedure for the selection of an audit firm;
- accepted the Audit Committee's report on its activity in 2024.

The Audit Committee passed resolutions on approval of permitted services provided by PZU, PwC, to PZU Group entities. Based on an analysis of representations submitted by representatives of the entity performing the audit – PwC, the Committee made a positive assessment of the independence of the statutory auditor and the audit firm and confirmed that the auditor and PZU comply with the regulatory requirements concerning the rotation of the key statutory auditor and the audit firm performing audits of the standalone and consolidated financial statements and standalone and consolidated solvency and financial condition reports of PZU and the PZU Group.

Nomination and Compensation Committee

In 2025, the Nomination and Compensation Committee held **14 meetings**.

Key issues addressed by the Nomination and Compensation Committee in 2025 involved:

- defining the Management Objectives for the Company's Management Board Members for 2025;
- submitting a recommendation to the PZU Supervisory Board on giving consent to pay Members of the PZU Management Boards of deferred variable compensation under management services provision agreement for 2021 and 2022;
- assessing the achievement of Management Objectives for 2024 conditioning the Manager's ability to receive variable remuneration for 2024;
- discussing the Supervisory Board Report on Compensation of PZU Management Board and Supervisory Board Members for 2024;
- discussing the PZU Management Board Report on the implementation of the Compensation Policy for the PZU Management Board and Supervisory Board Members for the period from 1 July 2024 to 30 June 2025;
- carrying out an assessment of suitability of Supervisory Board Members and Audit Committee Members (individual reassessment);
- assessing the suitability of the PZU Supervisory Board's candidates (individual assessment);
- assessment of suitability of the PZU Supervisory Board's Audit Committee candidate (individual and collective assessment);
- assessing the suitability of the PZU Management Board's candidates (individual and collective assessment);
- assessing the suitability of Management Board Members (individual reassessment);
- reviewing the Diversity Policy for Members of PZU bodies.

Strategy Committee

In 2025, the Audit Committee held **3 meetings**.

Key issues addressed by the Strategy Committee in 2025 were as follows:

- discussing the reports on the implementation of the PZU Group Strategy for 2025–2027;
- issuing a recommendation to the Supervisory Board of PZU to approve the taking up of shares in the increased share capital of PZU Zdrowie.

7.3.2.2. Supervisory Board's priorities in 2026

The Supervisory Board has identified the following priorities for 2026:

- supervising the capital reorganization process of the PZU Group and the Pekao Group;
- selecting members of the Management Board for the next term covering 2027–2029;
- setting management objectives for Management Board members for 2026 and evaluating the achievement of management objectives, which determine the eligibility of Management Board members for variable remuneration for 2025;
- selecting an auditor to certify the PZU Group's sustainability reporting for 2026;
- monitoring the implementation of the PZU Group Strategy for 2025–2027;
- monitoring the execution of the financial plan, quarterly financial results, and the ongoing assessment of the financial security of the PZU Group's operations and achieved financial performance.

7.3.3. Diversity policy

PZU employs best practices promulgating diversity and it cares about equal treatment for employees. At PZU, we are of the opinion that the diversity of roles and variety of character and personality traits build the entire organization's success.

Diversity policy for supervisory,, management and administrative bodies

Since June 2022 PZU has had in place a Diversity Policy for members of PZU's bodies, adopted by the Supervisory Board and the Shareholder Meeting, respectively.

Objectives and implementation of the policy

The purpose of the Diversity policy is to ensure the high quality of PZU's corporate bodies by selecting competent individuals, taking into account diversity in terms of gender, age, education, specialist knowledge, and experience. This approach allows PZU to broaden operational perspectives and create an innovative, diverse, inclusive, and fair working environment.

When shaping the composition of PZU's corporate bodies, diversity principles are applied while maintaining objectivity and relying on substantive criteria. The Policy does not solely address disability issues as mentioned in the draft regulation concerning current and periodic information.
The bodies responsible for selecting members of the Management Board and the Supervisory Board ensure that these individuals possess diverse knowledge, experience, skills, and other qualifications required by law and internal regulations, including the Suitability Assessment Principles.

In terms of qualifications, PZU also considers statutory requirements regarding the education and professional experience necessary to hold positions in entities conducting insurance operations. These criteria stem from the Commercial Company Code, the Act on Insurance and Reinsurance Activity, and the Act on Rules for Managing State Property.

Policy implications

Management Board and Supervisory Board Members are selected for the new term of office in compliance with the principles of equal access of men and women to positions in the company's statutory bodies. The Shareholder Meeting and the Supervisory Board, when determining the composition of these bodies, strive to maintain gender balance so that the representation of the

In 2025, the composition of PZU's Supervisory Board and Management Board ensured a broad range of competencies, diverse perspectives, and the knowledge and skills necessary for making independent decisions. These bodies included individuals of varying ages, both genders, and diverse educational and professional backgrounds, as presented in the tables on the following page.

Men predominated in both the Supervisory Board and the Management Board. The criterion of at least 30% representation of the less numerous gender was met in the Supervisory Board (4 women out of 11 members) but was not met in the Management Board (1 woman in a 7-member Management Board).

The structure of both bodies reflected the need for age diversity. At the end of 2025, the average age of Supervisory Board members was 56, and the Management Board 51. The age difference between the youngest (43) and oldest (69) member of the Supervisory Board was 26 years. In the Management Board, the youngest member was 46 and the oldest 58.
In the Supervisory Board, most members held degrees in economics and law, including representatives from academia and business. Most Management Board members had experience in insurance, banking, and finance. Members of PZU's governing bodies also hold professional and academic certifications and titles obtained in Poland and abroad.

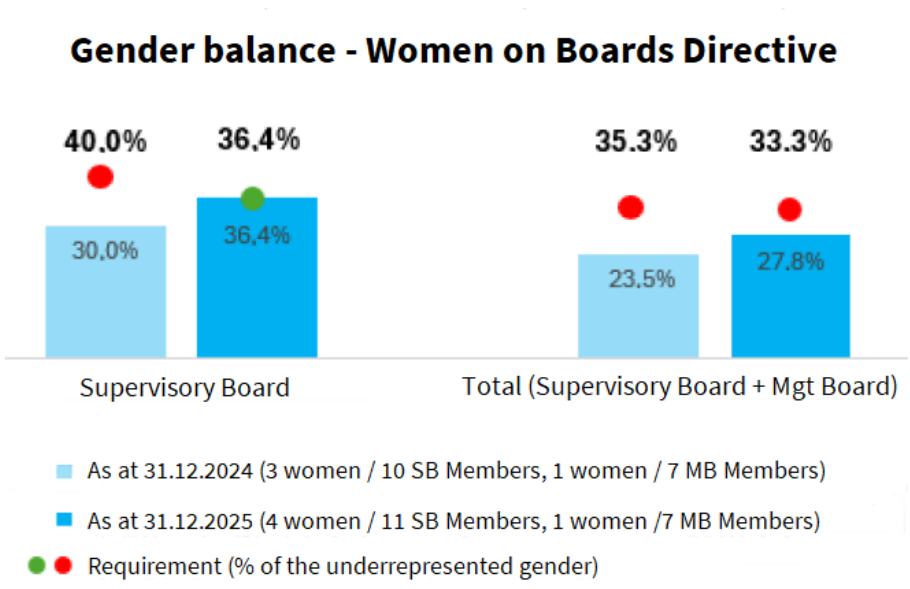
Three members of the Supervisory Board have more than 6 years of experience serving on supervisory boards of financial sector companies. All Management Board members have over seven years of experience in the financial sector, including two with more than 22 years.

Women on Boards Directive

PZU monitors regulatory changes and ensures compliance with rules regarding the suitability of corporate bodies.

In connection with Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, on 25 June 2025, the PZU Ordinary Shareholder Meeting adopted the Gender Balance Policy for the Management Board and Supervisory Board of PZU SA, which aims to establish rules to ensure gender balance in the Management Board and Supervisory Board. In accordance with the Policy, the Company will pursue the goal of ensuring that the total number of positions on the Management Board and the Supervisory Board held by persons of the underrepresented gender is in compliance with the law and that persons of the underrepresented gender hold positions on each of the Company's bodies.[1]

At the end of 2025, PZU met the requirement specified in the directive*) with regard to non-executive director positions (i.e., the Supervisory Board), but did not meet the requirement for all director positions (i.e., Supervisory Board + Management Board).



**) According to the regulation – the target numbers of director positions held by individuals of the underrepresented gender – in relation to PZU's bodies are presented in the table below:*

Number of positions in the company's body	The minimum number of non-executive director positions held by the underrepresented gender required to achieve the 40% target (Article 5(1)(a))	The minimum number of director positions held by the underrepresented gender required to achieve the 33% target (Article 5(1)(b))
10	4(40%)	
11	4(36.4%)	
17		6(35.3%)
18		6(33.3%)

1) By the time the regulations implementing the aforementioned Directive come into effect, PZU aims to ensure a gender minority quota of 30%.

The degree of diversity in the supervisory, management, and administrative bodies as of 31 December 2025 and as of the date of signing the report is presented in the tables below.

Age and sex

	PZU Supervisory Board							
	31 December 2024				31 December 2025 and as of the date of signing the report			
	number of people		%		number of people		%	
	women	men	women	men	women	men	women	men
41-50 years	2	4	20%	40%	2	1	18.2%	9.1%
51-60 years	1	2	10%	20%	2	2	18.2%	18.2%
61-70 years	0	1	0%	10%	0	4	0%	36.4%
Total number per sex	**3**	**7**	**30%**	**70%**	**4**	**7**	**36.4%**	**63.6%**

	PZU Management Board							
	31 December 2024				31 December 2025 and as of the date of signing the report			
	number of people		%		number of people		%	
	women	men	women	men	women	men	women	men
30-40 years	0	0	0%	0%	0	0	0%	0%
41-50 years	0	4	0%	57%	0	2	0%	29%
51-60 years	1	2	14%	29%	1	4	14%	57%
Total number per sex	**1**	**6**	**14%**	**86%**	**1**	**6**	**14%**	**86%**

Education and specialist knowledge

Education	Insurance, banking, finance	Management and marketing	Law	Economics	Other
Supervisory Board [number of people]	1	2	4	4	0
Management Board [number of people]	5	0	1	1	0

Certificates / scientific titles and degrees*	MBA	EMBA	ACCA	CQF	prof.	dr hab.	dr	DBA
Supervisory Board [number of people]	2	0	1	0	2	3	4	1
Management Board [number of people]	3	1	1	0	0	0	0	0

* MBA – Master of Business Administration, EMBA – Executive MBA, ACCA – Association of Chartered Certified Accountants, CQF – Certificate in Quantitative Finance, prof. – professor, dr. hab. – doktor habilitowany, dr – doktor, DBA – Doctor of Business Administration

Professional experience

Experience of PZU Supervisory Board members in Supervisory Boards in companies from the financial sector (excluding the PZU Supervisory Board)			
	1-3 years	3-6 years	> 6 years
Number of people	1	0	3

Professional of PZU Management Board members in the financial sector before being appointed to the PZU MB				
	1-7 years	7-15 years	15-22 years	> 22 years
Number of people	0	3	2	2

Years in service at PZU bodies			
	1-3 years	3-6 years	> 6 years
Supervisory Board [number of people]	11	0	0
Management Board [number of people]	4	0	3

7.4. Internal systems and functions

PZU risk management system and internal control system are based on a three-line-of-defense model. Their structure reflects insurance industry standards and supervisory requirements. Both systems are a key component of PZU Group management and ensure effective oversight of PZU and its subsidiaries.

7.4.1. Risk management system and internal control system

The PZU Group was identified by the Polish Financial Supervision Authority (KNF) as a financial conglomerate, in which PZU is the leading entity.

The PZU Group has an established division of tasks and rules for the implementation of supervisory responsibilities, and cooperation and information exchange are regulated by agreements between companies. The cooperation between PZU and PZU Życie is key, as they have similar management models and work together in the areas of, among others, strategy, risk and operational support.

The PZU Group **Risk Management System (RMS)** is aimed at early detection and proper management of significant risks affecting the entire Group and its companies. PZU oversees the RMS on the basis of cooperation agreements with its subsidiaries and the information it obtains through them. It manages risks in aggregate, especially in the area of capital requirements. Uniform risk assessment standards apply to all Group companies, taking into account legal regulations. The system is designed to support the implementation of the Group's and individual entities' strategies. The basis for its operation is the "ZU Group's Risk Management Strategy."

Effective risk management is supported by **the Internal Control System (ICS)**, adjusted to the scale of its operations and its structure. The goal of ICS is to ensure operational efficiency, reliable reporting, compliance with regulations, internal standards, and risk management principles.
The ICS comprises oversight, administrative and accounting procedures, organizational structures, reporting systems, IT solutions, compliance function, and other mechanisms to ensure the security and stability of operations. The following elements are distinguished within the ICS:

- **control function** – control mechanisms in processes, independent monitoring and reporting;
- **compliance function** – carried out by the Compliance Department;
- **internal control unit** – the Internal Control Department (BKO) tasked with implementing and supervising system solutions for the ICS;
- **internal audit** – the Internal Audit Department, independently and objectively evaluating the effectiveness of the ICS and RMS.

ICS in the PZU Group operates at the level of PZU as the leading entity and is tailored to the specifics of individual companies, taking into account proportionality and adequacy. In banking groups, the system operates in accordance with sector regulations.

The risk management system and internal control system are based on a three-line-of-defense model:

1. **Line I** – includes risk management by business process owners in the course of operations
2. **Line II** – includes risk management by specialized units and the operation of the Compliance Department
3. **Line III** – internal audit carried out by the Internal Audit Department.

Compliance

At PZU, the compliance function is part of the internal control system and reports to the Managing Director of Regulatory Affairs, who reports to the President of the Management Board of PZU or the person delegated to temporarily act as Chair of the Management Board. The appointment and dismissal of manager of the compliance unit must be consulted with the Supervisory Board Audit Committee. The Managing Director on Regulations and Director of the Compliance Department have direct access to PZU's Management Board Members and PZU's Supervisory Board Members, and representatives of the Compliance Department participate in meetings of selected committees established within the

Internal control

Internal control serves as an independent assessment of the adequacy, correctness, and effectiveness of control mechanisms and the quality of the implemented processes. The Internal Control Department (BKO) handles such control at PZU. It operates independently and is a separate unit reporting to the company's management.

The internal control may focus on, in particular:

- compliance with the law, internal regulations, and the accepted standards of conduct;
- compliance of the conduct of persons affiliated with the Company with the rules set forth in internal regulations or standards of conduct;
- evaluation of the adequacy and effectiveness of the control mechanisms in place;
- correctness of the use of mechanisms in accordance with their purpose.

Any area of activity can be subject to control. Tasks are carried out on the basis of the annual Control Plan and as ad hoc inspections.

Internal audit

The internal audit function operates independently of the operational functions and supports the PZU Group in improving processes and evaluating the internal control system and other elements of the management system.

The duties of the internal audit function comprise in particular:

- developing and implementing an audit plan addressing all relevant areas of operations;
- making recommendations based on the results of audits;
- checking the execution of the corrective measures stemming from the recommendations made.

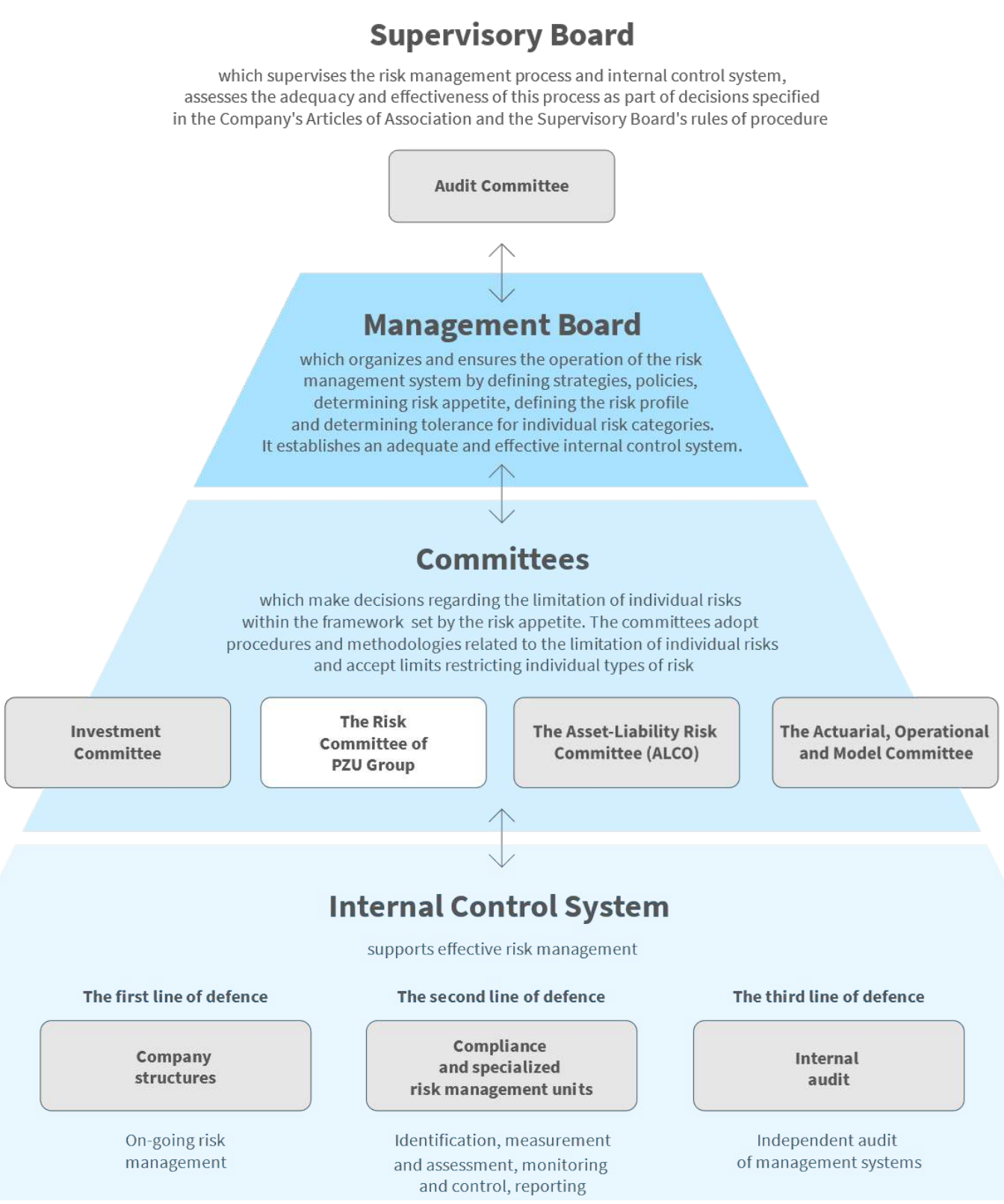
The audit plan is prepared on the basis of an annual risk identification and assessment conducted across all areas of PZU's business. A draft plan is presented for evaluation by the Audit Committee and then approval by the Management Board.

The implementation of audit recommendations by the units is overseen by the responsible Management Board Members or the PZU Group Directors. The Internal Audit Department monitors the progress of implementing the recommendations received, based on information obtained from the respective business units. After an analysis, it decides whether to consider them completed.

Audit independence is ensured by the following principles:

- The Managing Director of Audit, who heads the Internal Audit Department, functionally reports to
- the Audit Committee, and organizationally to the President of the PZU Management Board or a person delegated to temporarily perform the duties of the President of the PZU Management Board;
- Appointment and dismissal of a person to head the Internal Audit Department requires the opinion of the Audit Committee of the PZU Supervisory Board;
- The Managing Director on Audit participates in meetings of the Audit Committee and meetings of the Management Board, and representatives of the Internal Audit Department take part in meetings of selected committees operating within PZU's structure;
- Auditors are highly qualified, have access to the necessary data and information, and perform tasks with complete independence;
- The scope of audits and the assessments issued are autonomous audit decisions. Tasks are assigned so as to exclude conflicts of interest. The auditor may not evaluate an area that they have previously managed or worked in during the past year and does not assume responsibility for the operational activities to be audited.

Diagram of organization of risk management system and internal control system



7.4.2. Internal control system and risk management in the process of preparing financial statements

The process of preparing financial statements in PZU is carried out by units of the Finance Division and other units in accordance with the scope of their competence. The Finance Division is supervised by a Management Board member, and the financial statements require approval by the Management Board.

The process is based on:

- accounting principles (policies) adopted by the Management Board;
- chart of accounts with commentary;
- internal regulations for recording, valuing assets and liabilities, and determining the result;
- keeping the accounting records;
- reporting systems.

Data are prepared in source systems according to formalized operational and acceptance procedures with clearly defined competencies. Tasks are carried out by qualified employees with relevant knowledge and experience.

PZU monitors regulatory changes in accounting and reporting for insurers and implements necessary adjustments. Schedules for closing the books and preparing reports specify key activities and assigned responsibilities.

Key controls during preparation of the financial statements include:

- monitoring the quality of input data using the correctness rules defined in the financial systems;
- data mapping from the source systems to financial statements;
- analytical reviews based on business knowledge and business transactions;
- formal reviews for compliance with regulations and market practice.

Consolidated financial reporting of PZU and PZU Życie is coordinated through a common organizational model of the Financial Divisions (personal union). PZU controls all its consolidated subsidiaries through these companies' management boards and supervisory boards.

The process of consolidated financial reporting is governed by internal acts defining accounting policies and reporting standards. Detailed schedules with assigned responsibilities apply.

Consolidation packages of subsidiaries:

- verification procedures by a statutory auditor scrutinizing the PZU Group's consolidated financial statements;
- analyses by specialists;
- in the case of banks – reconciliation with their published stock market reporting.

The correctness of the reporting process is periodically evaluated by internal audit.

Audit Committee of the Supervisory Board

The Audit Committee assists the Supervisory Board in monitoring the financial reporting process.

Its scope is outlined in Section 7.3.2.Supervisory Board / Audit Committee. The Audit Committee, in particular:

- conducts a preliminary assessment of the Management Board's report on the activity of PZU and the Group incl. sustainability reporting and the annual financial statements (standalone and consolidated);
- makes recommendations to the Supervisory Board on the selection of an audit firm to audit and review the financial statements and the annual solvency and financial condition report (of PZU and PZU Group) in accordance with Solvency II requirements, as well as assurance of sustainability reporting.

7.4.3. External auditors

PZU selects entities authorized to audit financial statements and attest sustainability reporting in accordance with:

- Policy for the selection of an audit firm to conduct audit of financial statements and attestation of sustainability reporting
- Policy for the provision of permitted non-audit or non-sustainability reporting attestation services by an audit firm conducting an audit of financial statements or attestation of sustainability reporting, by entities related to the audit firm, and by a member of the network to which the audit firm belongs;
- Procedure for the selection of an audit firm.

In early 2025, the Audit Committee updated these documents, expanding them to include regulations on sustainability reporting attestation and bringing their titles in line with current regulations. The Supervisory Board approved the changes with effect as of 1 January 2025.

Main assumptions underlying the policy for selecting the audit firm

Policy for the selection of an audit firm to conduct audit of financial statements and attestation of sustainability reporting assumes:

- ensuring that the selection process is conducted in a proper, transparent and regulatory manner and that the responsibilities of the participants are clearly defined;
- the key role of the Audit Committee in recommending the selection of an auditor;
- ensuring high quality testing and attestation and meeting independence requirements;
- the ability to audit and attest the PZU Group by a single auditing firm;
- applying the rule of rotating the audit firm and the key statutory auditor in the embraced time horizon.

Entity authorized to audit financial statements

On 24 August 2022, having reviewed the Audit Committee's recommendation, the PZU Supervisory Board selected PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp.k. (PwC) as the audit firm for the annual audit and reviews of the interim standalone and consolidated financial statements and audits of the annual individual and consolidated reports on the solvency and financial condition of PZU and the PZU Group for the five fiscal years 2024–2028, with an option to extend the contract for two more fiscal years 2029–2030.

The agreement with PwC was concluded on 15 December 2023.

Sustainability reporting attestation provider

According to PZU's Articles of Association, amended on 19 August 2025, the auditing firm for attestation of the PZU Group's sustainability reporting is selected by the Supervisory Board.

On 7 November 7 2025, having considered the Audit Committee's recommendation, the Supervisory Board selected PKF Consult Sp. z o.o. sp.k. **(PKF)** to attest the PZU Group's Sustainability Reporting for 2025. The agreement with PKF was negotiated and signed by PZU Management Board on 16 December 2025.

The attestation of the PZU Group's Sustainability Reporting for 2024 was conducted by PwC under an amendment to the contract for the audit of financial statements.

Main assumptions underlying the policy of providing permitted services

PZU has a Policy governing permitted services provided by audit firms and its affiliates, which services do not constitute an audit or attestation of sustainability reporting.

Major assumptions of the Policy include:

- ensuring auditor independence – by precisely defining the list of prohibited services, the obligation to each time assess threats to independence, and the application of appropriate safeguards for both audit and attestation services;
- broad and unambiguous definition of prohibited services, which are additionally subject to time limits to eliminate risks of impact on the auditor's work;
- strict definition of the list of permitted services, the commissioning of which each time requires the approval of the Audit Committee after completing a relevant risk assessment;
- introducing a limit on fees for non-audit services to prevent the audit firm from becoming economically dependent on PZU or PZU Group companies;
- formal application and control procedure that ensures transparency of the entire process and full compliance with national and EU regulations, including requirements for public interest entities.

List of permitted services provided to the issuer by the audit firm

In 2025, PwC provided permitted non-audit services to PZU. Each time they required the approval of the Audit Committee, which assessed potential threats to the firm's independence in accordance with the policy adopted by the Supervisory Board.

Permitted services performed by PwC as part of the audit and review of the 2024–2025 financial statements included:

- reviewing interim separate and consolidated financial statements of PZU SA and PZU Group for the periods ended 30 June 2024 and 30 June 2025,
- auditing standalone and consolidated reports on solvency and financial condition of PZU SA and PZU Group for the years ended 31 December 2024 and 31 December 2025.

In 2025, PKF did not provide permitted non-attestation of sustainability reporting services to PZU.

Fee payable to audit firms

The tables below present the amounts due to the PZU Group's audit firms, including fees (paid or payable for the period, plus VAT) for:

- PwC and companies in its network – for the audit and review of financial statements and review of reports on solvency and financial condition for 2024 and 2025, and the attestation of sustainability reporting for 2024;
- PKF Consult – for Attestation of Sustainability Reporting for 2025.

Remuneration due to the PZU Group's audit firm – PwC – and to firms within its network for the audit of the financial statements of PZU Group entities subject to consolidation, paid or payable for the given period, increased by VAT	1 January – 31 December 2024 (PLN 000s)	1 January – 31 December 2025 (PLN 000s)
Audit of financial statements	16,063	17,443
Review of financial statements	2,079	2,153
Other assurance services, including ESG reporting attestation	7,058 [1)]	5,201 [2)]
Other services	1,506	2,998
Total	**26,706**	**27,785**

1) including PLN 2,766 thousand for the ESG reporting attestation service for 2024 for the PZU Group, the Pekao Capital Group and the Alior Bank Capital Group

2) including PLN 646 thousand for the ESG reporting attestation service for 2025 for the Pekao Capital Group, and PLN 210 thousand for the ESG reporting attestation service for 2024 for the Alior Bank Capital Group.

The amount due to PKF Consult Sp. z o.o. sp.k. for the sustainability reporting attestation service for the PZU Group for 2025 amounted to PLN 278 thousand in 2025.

Remuneration due to the audit firm for the audit of PZU's financial statements, paid or payable for the given period, increased by VAT	1 January – 31 December 2024 (PLN 000s)	1 January – 31 December 2025 (PLN 000s)
Statutory audit of the annual financial statements / consolidated financial statements	3,316	3,915
Other assurance services, including: audit of the Solvency and Financial Condition Report of the insurance undertaking / sustainability reporting attestation	2,050	994
Review of the financial statements	939	972
Tax advisory services	-	-
Other services	-	-
Total	6,305	5,881

7.5. Shareholder Meeting and relations with shareholders

7.5.1. Shareholder Meeting

Powers and method of operation of the PZU Shareholder Meeting

The Shareholder Meeting is the highest corporate body of PZU. Its powers, manner of convening, and the rules of participating in the Shareholder Meeting are set forth in the Commercial Company Code, the PZU's Articles of Association, and the Regulations of the Shareholder Meeting. Meetings may be held as:

- **Ordinary Shareholder Meeting (OSM)** – convened within six months after the end of the financial year;
- **Extraordinary Shareholder Meeting (ESM)** – convened in cases provided for by law and the Articles of Association.

Shareholder Meetings are held in Warsaw, at PZU Headquarters.

The SM is convened by the Management Board. If the Management Board fails to do so within the prescribed time limit or it is required under the circumstances, the Shareholder Meeting may also be convened by the Supervisory Board. In certain cases, the ESM may also be convened or requested by shareholders (The description of shareholder rights and the method of exercising them).

Powers of the Shareholder Meeting include, in particular:

- approving reports of the Management Board and financial statements of PZU and the Group (OSM);
- distributing profits or covering losses (OSM);
- discharging members of bodies (OSM);
- appointing and removing members of the Supervisory Board, taking into account the power of the State Treasury to appoint one member of the Board;
- establishing the rules for remunerating Supervisory Board members;
- establishing and revising rules for assessing the suitability of the Supervisory Board and the Audit Committee;
- assessing the suitability of candidates for Supervisory Board members (with the exception of the State Treasury candidate), and individual and collective assessment of Board members;
- issuing an opinion on the report on compensation for Management Board and Supervisory Board members; considering the report on representation, legal, marketing, PR, and management consulting expenses.

Rules for voting and adopting resolutions

Resolutions are adopted by a simple majority, unless provisions or the Articles of Association require a qualified majority.

Amendment of the Articles of Association or reduction of share capital requires a **3/4** majority.

Ballots are open, unless a secret ballot is ordered (e.g., elections or motions to dismiss members of PZU bodies, in matters concerning their personal liability, and in other personal matters or at the request of at least one of the shareholders attending or represented at the Shareholder Meeting).

Voting takes place using a computerized system for casting and counting votes. Each PZU share entitles the holder to one vote at the General Meeting.

Convening and materials for the Shareholder Meeting

The announcement of the SM is published on PZU's website in the Investor Relations section (https://www.pzu.pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenia), in the manner appropriate for current information at least **26 days** before the date of the SM. Materials for shareholders, including draft resolutions with justifications, are published on the same day.

All matters referred by the Management Board to the GM are reviewed in advance by the Supervisory Board. These reviews are made available to shareholders and published on the PZU website.

Proceedings and breaks

The Shareholder Meeting may order breaks by a **2/3majority**. The total duration of breaks must not exceed **30 days**.

The course of the Shareholder Meeting is broadcast live by PZU over the Internet, and a transcript of the broadcast is posted on the company's website. The broadcast information and link are provided in advance.

Representatives of the media (press, radio, television) may also participate in the Shareholder Meeting.

Registration

In order to participate in the Shareholder Meeting, a shareholder has to own at least one share of PZU **as at the registration date**, which is **16 days before the date of the SM**. Registration is done through the brokerage office that maintains the account in which the PZU shares are recorded. There, the shareholder applies for a registered certificate of the right to participate in the Shareholder Meeting. The application may be submitted at the earliest after the SM has been announced and at the latest on the first business day after the

Description of PZU shareholder rights and the method of exercising them

The PZU shareholder rights derive directly from the law. Among the basic ones are:

- the right to a share in the profit,
- the right to participate in the SM and exercise voting rights in person or by proxy.

The **PZU Articles of Association** introduce special rules:

- Limiting voting rights:
  - No shareholder may exercise more than **10% of the total number of votes** at the SM.
  - This restriction **does not apply to the State Treasury** or entities acting with it.[2]
- Special powers of the State Treasury:
  - The State Treasury has the right to **appoint and dismiss one member of the Supervisory Board** by way of a written statement submitted to the Management Board.
  - The statement is effective upon delivery and **does not require a SM resolution**,
  - This right expires if the State Treasury ceases be a shareholder.

Rights of minority shareholders

PZU shareholders representing at least **50% of** the share capital or total votes may convene an ESM and appoint its chair.

A PZU shareholder or shareholders representing at least **1/20** of the PZU's share capital may:

- request the convening of an ESM and including certain matters in the agenda of that meeting;
- demand that certain issues be placed on the agenda of the SM (motion with justification or draft resolution submitted **no later than 21 days before the SM**);
- submit, prior to the date of the SM, in writing or in electronic form, draft resolutions on matters included in the agenda of the SM or matters to be included in the agenda.

In particular, PZU shareholders have the right to:

- Submit candidates to the Supervisory Board
  - Draft resolutions and nominations should be submitted within a time limit which allows shareholders present at the GM to make a decision with due deliberation, preferably **3 days before the date of the SM,**
  - If the candidacy is submitted during the SM for the election of the SB – it has to be submitted **to the Chair of the SM before the voting begins**;
- Review documents and obtain information
  - The list of shareholders entitled to participate in the SM is available at PZU's headquarters for **3 weekdays** prior to the SM; it can also be obtained by -e-mail,
  - Shareholders may review the SM's book of minutes and obtain certified copies of the resolutions,
  - Shareholders may submit requests outside the SM for information on PZU's operations. In such a case, the Management Board may provide the shareholder with the information in writing, unless doing so could harm PZU, an affiliate or subsidiary, in particular by revealing technical, trade or organizational secrets of the company.
  - The information provided outside the SM is published in the form of a current report;
- Challenging SM resolutions
  - It is possible to challenge a resolution if the shareholder:
    - voted against and submitted objection,
    - was unjustifiably not allowed to participate in the SM,

2) Exclusions to this restriction and its rules are described in Section 7.2.1. Shareholders and the issuer's securities, under Entitlements and restrictions on PZU shares.

Rights of shareholders at the Shareholder Meeting

Any shareholder entitled to participate in the SM may:

- stand for election as Chair of the SM and put forward one nomination for Chair of the SM;
- submit candidates to the Supervisory Board;
- vote, make motions, speak, briefly justify one's position, object;
- make motions concerning formal matters (e.g., for a secret ballot, a break in the session);
- submit draft resolutions on matters included in the agenda;
- propose amendments to draft resolutions until the conclusion of the discussion of the item;
- ask questions regarding matters on the agenda – provided it is justified for the assessment of a matter on the agenda, the Management Board (subject to statutory exceptions) provides the shareholder with information concerning the company. In justified cases, the Management Board may provide information in writing outside the SM, no later than **2 weeks** after the date of its conclusion.

PZU Shareholder Meetings convened in 2025

In 2025, the Ordinary Shareholder Meeting and two Extraordinary Shareholder Meetings were held.

Ordinary Shareholder Meeting – 25 June 2025

In addition to matters under Articles 395 § 2 and 5 of the Commercial Company Code (CCC) (consideration and approval of the Management Board's Report on operations of the Company and the financial statements of PZU and the Group, discharges for members of PZU's bodies, distribution of profit), the OSM handled, among other things:

- issuing an opinion on the PZU Supervisory Board report on compensation of PZU Management Board and Supervisory Board members for 2024;
- approving the PZU Supervisory Board's report for 2024;
- reassessing individual suitability of Supervisory Board members;
- assessing collective suitability of Supervisory Board members;
- amending the Articles of Association of PZU;
- adopting the Policy on gender balance in the Management Board and Supervisory Board of PZU SA;
- amending Resolution No. 4/2017 of the Extraordinary Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna of 8 February 2017 on the rules of shaping the remuneration of Members of the Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, as amended by Resolution No. 36/2019 of the Ordinary Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna of 24 May 2019;
- amending Resolution No. 5/2017 of the Extraordinary Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna of 8 February 2017 on the rules of shaping the remuneration of Members of the Supervisory Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, as amended by Resolution No. 37/2019 of the Ordinary Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna of 24 May 2019.

Extraordinary Shareholder Meeting – January 2025

The ESM of PZU on 10 and 21 January 2025 focused on:

- changes in the composition of the Supervisory Board;
- assessment of collective suitability of the Supervisory Board.

Extraordinary Shareholder Meeting – 23 December 2025

At the ESM on 23 December 2025, the topics on the agenda were:

- changes in the composition of the Supervisory Board;
- assessment of collective suitability of the Supervisory Board;
  - Adoption of a resolution on claims for damages caused in the performance of management;

7.5.2. Rules for changing the Articles of Association

The amendment of the Articles of Association of PZU is within the competence of the Shareholder Meeting and requires:

- resolution passed by a 3/4 majority;
- **approval of the Financial Supervision Authority (KNF)** – in cases provided for by the Law on Insurance and Reinsurance Activity;
- entry in the National Court Register (KRS) for the change to take effect.

Preparation of **the unified text of the Articles of Association** is the responsibility of the Supervisory Board.

As a public company, PZU is obliged to inform about any amendment to the Articles of Association and the adoption of its unified text in the form of **a current report**.

Amendments to the PZU's Articles of Association in 2025

The PZU Articles of Association were not amended in 2025:

- grant the Supervisory Board the authority to select an audit firm to conduct attestation of sustainability reporting;
- clarifying the tasks of the Supervisory Board following the guidelines or recommendations of supervisory authorities, including the Financial Supervision Authority, adopted for use by PZU (i.e., preparing and presenting to the Shareholder Meeting a report on the evaluation of the functioning of the Company's remuneration policy and approving the risk management strategy in the PZU capital group and supervising its implementation);
- including the social benefit fund within the capitals, reserves, and special funds created by PZU;

clarifying the provision for determining the dividend day, by introducing: "The date of the dividend should be set for a date falling no earlier than five days and no later than three months from the date of adopting the resolution on profit distribution. If the resolution of the Ordinary Shareholder Meeting does not specify a dividend day, the dividend day shall be the day that falls five days after the date of adoption of the resolution on profit distribution."

7.5.3. Dividend

Disbursement of dividends

On 25 June 2025, the Ordinary Shareholder Meeting of PZU passed a resolution on the distribution of net profit PZU for the year ended 31 December 2024 increased
by the amount transferred from the supplementary capital created from the net profit for the year ended 31 December 2023, in which it decided to allocate nearly PLN 3.9 billion, i.e. PLN 4.47 per share, for the disbursement of dividends. The dividend was paid on 16 October 2025. The dividend ratio was 9.8%.

Cumulative dividends per share since PZU's IPO on the WSE



Source: PZU

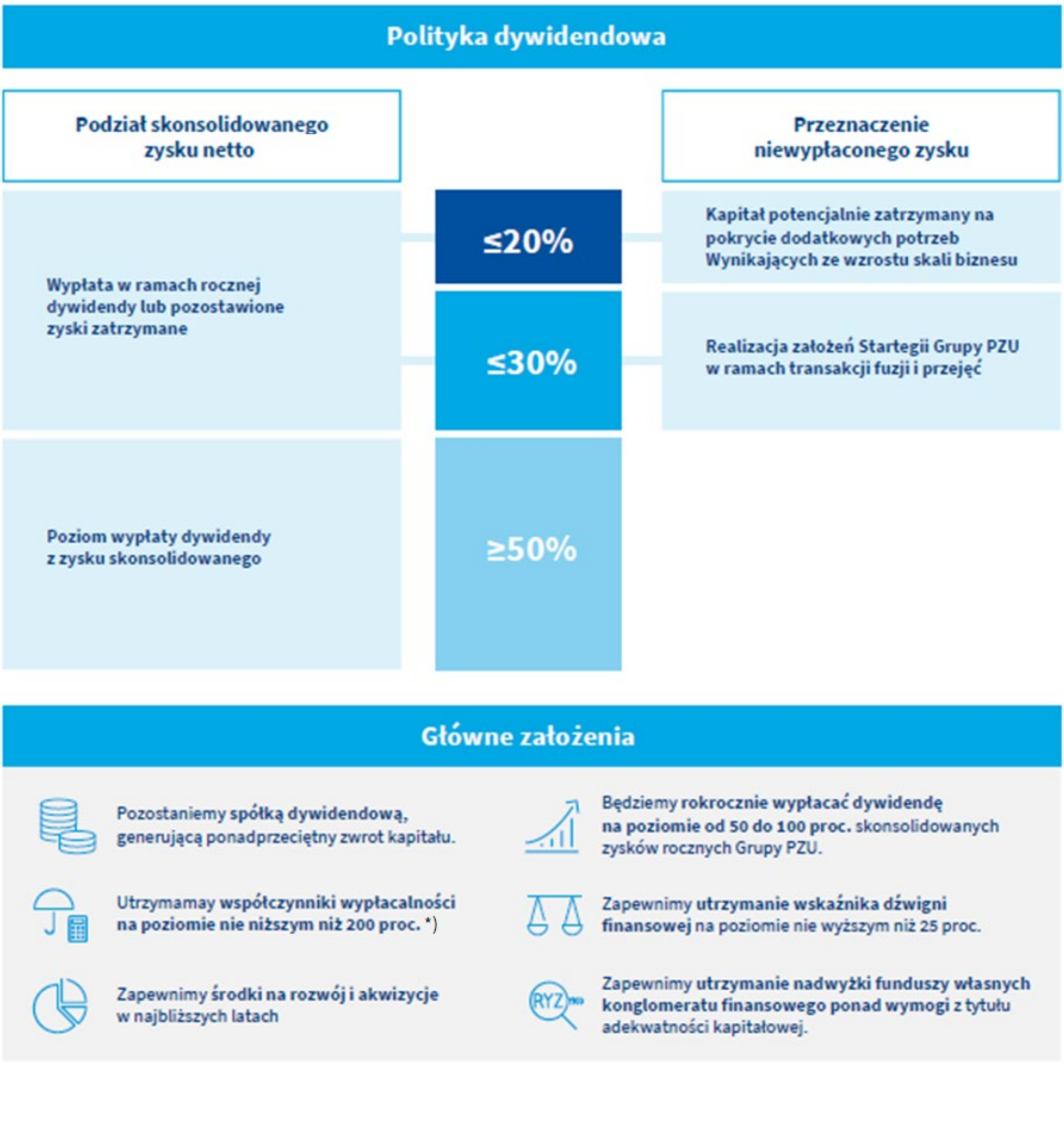
Dividend policy

On 2 December 2024, the PZU Management Board adopted the Capital and Dividend Policy for 2025–2027. It follows the principles of the 2021–2024 and 2016–2020 policies.

The only change from the previous policy is the reduction of the Solvency II target ratio for the PZU Group to 180%. For PZU and PZU Życie, the target ratios remained unchanged, at 200%. At the same time, pending the entry into force of the Solvency II amendments, the current Solvency II target level of 200% is maintained, in accordance with the policy in effect until 2024.

PZU's ambition, as stated in the PZU Group's Strategy for 2025–2027, is to maintain the payment of a high dividend, with a target dividend payout ratio at the level of:

PLN 4.5 per share



7.6. Conflict of interest and transactions with related parties

7.6.1. Management of a conflict of interest

Conflict of interest

In its operations, PZU minimizes the risk of conflicts of interest which is understood as situations in which there is or may be a discrepancy between the legal, financial or other legally protected interest between PZU, related parties and the interests of the client. To this end, PZU has a “Conflict of Interest Management Policy” to ensure that all clients and related parties are treated professionally, fairly, and honestly.

Employees are required to promptly report potential conflicts to their supervisor and to the compliance unit, so that risks can be analyzed and mitigating mechanisms applied. If a conflict of interest is identified, measures are implemented to eliminate or reduce its negative effects. There is also a conflict of interest register.

In order to prevent conflicts, PZU uses a number of mechanisms, including: informing clients about the principles of conflict of interest management, promoting fair conduct among related parties, restricting access to confidential information, enforcing rules on accepting and giving gifts, limiting the ability of related parties to represent PZU, monitoring and restricting transactions of its own employees and members of the Management Board, and entering into non-compete agreements with persons with access to material information.

Members of PZU bodies are required to avoid activities that may cause conflicts of interest, identify risks and obtain approval for additional functions in public companies. In the event of a conflict, they are obliged to inform the relevant authorities and the compliance unit, and refrain from participating in voting on matters covered by the conflict.

Conflict of interest issues are analyzed as part of suitability assessments prior to appointment to the bodies, regular assessments and annual analysis of additional activities of members of the bodies.

Rules for acceptance and giving of gifts

The rules in PZU regulate in transparent and very detailed terms the categories and types of gifts, including permissible and impermissible gifts, and they prescribe the procedure for accepting or offering gifts and the rules for registering gifts.

7.6.2. Transfer pricing documentation

Transactions of PZU Group entities with related parties are concluded on an arm’s length basis, regardless of their value. This applies both to transactions carried out within the PZU Tax Group (PGK PZU) and to transactions with parties outside PGK PZU. The Group has “Transfer Price Procedure”, which sets out the rules for analyzing and documenting transactions in accordance with tax regulations.

Each transaction with a related party is subject to a preliminary analysis of the market nature of the terms. For transactions subject to documentation requirement, the Tax Policy Department, in cooperation with substantive units, prepares local transfer pricing documentation. This documentation covers transactions with entities outside PGK PZU and entities that do not enjoy the exemptions provided for under the law. Transaction information is reported to the tax authorities as the TPR-C declaration within statutory deadlines.

In addition, the Tax Policy Department prepares group documentation (Masterfile) for the entire PZU Group and files CBC-R information on the group of entities. According to procedures, transactions exceeding 5% of total assets and raising questions as to their market nature require the approval of the Supervisory Board, which may consult external experts.

The oversight mechanisms adopted ensure that the prices used in transactions with related parties reflect the arm’s length principle, which means that the terms of the transaction are comparable to those applied between unrelated parties.

7.7. Payroll

The compensation policy implemented by PZU supports attainment of short-term and long-term goals specified in the PZU Group strategy both in term of achieving financial objectives and the Company's contribution to sustainable development. PZU practices applied to compensation help recruit, motivate and retain Management Board and Supervisory Board Members and key managers, including PZU Group Directors.

7.7.1. Policy of compensation of supervisory and management bodies

The remuneration policy for members of PZU's Management and Supervisory Boards was adopted in a resolution of the Shareholder Meeting on 26 May 2020, and updated in June 2023 with provisions for incorporating sustainability requirements into risk management. Remuneration rules are also based on resolutions adopted by the Shareholder Meeting in 2017.

The Shareholder Meeting determines the remuneration policy, while the Supervisory Board, based on the recommendation of the Nominating and Remuneration Committee, determines the remuneration of the members of the Management Board, including its President. Remuneration depends on achieving the PZU Group's strategic goals, supporting the achievement of long-term results. The Management Board establishes rules of remunerating directors holding positions in PZU Życie as well as senior management and persons with significant influence on the company's risk profile, in accordance with the requirements of Solvency II.

The remuneration of members of the Supervisory Board is fixed and determined as the product of the average monthly salary in the enterprise sector (announced by Statistics Poland (GUS)) and a multiplier of 2.75. In addition, increases are applied for the Chair of the Board – by 10%, the Vice-Chair – by 9%, the Secretary – by 8%, committee chairs – by 9%. Additional remunerations do not add up.

7.7.2 Amount of remuneration of Supervisory Board members

The amount of remuneration of Supervisory Board members is presented in the table below:

Remunerations and other short-term employee benefits paid to the Supervisory Board by PZU and PZU subsidiaries	1 January – 31 December 2024 (PLN 000s)	1 January – 31 December 2025 (PLN 000s)
Marcin Kubicza	282	233
Jaroslaw Antonik	n/a	4
Anita Elżanowska	190	211
Michał Jonczynski	225	241[1)]
Małgorzata Kurzynoga	244	230
Anna Machnikowska	242	228
Andrzej Kaleta	244	230
Kazimierz Karolczak	n/a	28
Beata Stelmach	n/a	75
Maciej Szwarc	n/a	75
Adam Uszpolewicz	244	230
Michał Bernaczyk	167	137
Filip Gorczyca	225	188
Andrzej Klesyk	n/a	6[2)]
Wojciech Olejniczak	162	7
Robert Jastrzębski	36	n/a
Paweł Górecki	34	n/a
Agata Górnicka	35	n/a
Marcin Chludziński	33	n/a
Krzysztof Opolski	35	n/a
Radosław Sierpiński	33	n/a
Józef Wierzbowski	33	n/a
Maciej Zaborowski	33	n/a
Total	**2,497**	**2,123**

1) Including PLN 29 thousand for serving as a member of the Supervisory Board of Centrum Medyczne Medica sp. z o.o.
2) Including PLN 1 thousand for serving as a member of the Supervisory Board of PZU Życie SA paid for the period before appointment to the Management Board of PZU SA.

7.7.3. Compensation of key management personnel

The PZU Management Board Members and PZU Group Directors are assumed to be the key management of the PZU Group.

Rules for remunerating Management Board members

The remuneration of Management Board members is composed of a fixed and a variable portion. The fixed portion is a monthly base salary set by the Supervisory Board in the range of 7 to 15 times the average salary in the enterprise sector as announced by Statistics Poland (GUS).

The variable portion depends on the achievement of annually set management goals and cannot exceed 100% of the previous year's fixed remuneration. 40% of this portion is deferred and paid out in three tranches over the next three years, provided the criteria are met. In 2025, the goals included improving financial performance (e.g., in the areas of revenue, cost efficiency, capital security, among others) and achieving ESG goals (e.g., improving the NPS ratio, achieving the desired Gender Pay Gap Ratio, increasing employee engagement).

The variable portion of remuneration is paid after the Shareholder Meeting approves the reports and grants discharge. The company may demand the return of remuneration if it turns out that it was awarded on the basis of false data.

In the event that an agreement with a Management Board member is terminated for reasons other than violation of the basic obligations, the Management Board member may also be awarded severance pay of not more than three times the fixed remuneration, provided that the member held their function for at least 12 months prior to agreement termination. No severance pay is awarded if the Management Board member assumes a position in another PZU Group company. The Supervisory Board may also grant additional benefits, such as pension plans.

Rules for remunerating PZU Group Directors

The remuneration of PZU Group Directors is determined by the Management Board on the basis of management service provision agreements and resolutions taking into account the provisions of the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies. The total compensation is composed of the fixed and variable portions, in accordance with the same rules as those for PZU Management Board members.

The agreements regulate the notice period and the obligation to refrain from competing with PZU during and after the term of the agreement, in exchange for compensation. However, they do not provide for remuneration in the event of the Director's resignation or dismissal without good cause.

Amount of compensation of key management personnel

Further tables show remuneration of Management Board members and PZU Group directors.

	1 January – 31 December 2024 (PLN 000s)				1 January – 31 December 2025 (PLN 000s)		
Compensation and other short-term employee benefits paid by PZU		including part of variable compensation for 2019-2022	including a non-competition fee	including a severance pay		including part of non-deferred variable compensation for 2024	including a non-competition fee
Management Board	**18,306**	**3,118**	**4,428**	**2,378**	**16,045**	**4,303**	**1,510**
Bogdan Benczak	n/a	n/a	n/a	n/a	442[1)]	-	-
Maciej Fedyna	58	-	-	-	1,511	35	-
Bartosz Grześkowiak	972	-	-	-	2,060	583	-
Elżbieta Häuser – Schöneich	1,058	86	-	-	2,060	583	-
Tomasz Kulik	1,738	398	-	-	2,280	804	-
Tomasz Tarkowski	214	-	-	-	1,605	128	-
Jan Zimowicz	972	-	-	-	2,060	583	-
Andrzej Klesyk	n/a	n/a	n/a	n/a	1,313[2)]	-	484
Artur Olech	1,006	-	-	-	1,404	604	699
Małgorzata Kot	1,516	312	676	338	114	114	-
Krzysztof Kozłowski	1,401	197	676	338	114	114	-
Piotr Nowak	1,301	97	676	338	114	114	-
Maciej Rapkiewicz	1,963	398	349	338	854	527	327
Małgorzata Sadurska	1,602	398	676	338	114	114	-
Aleksandra Agatowska	16	16	-	-	n/a	n/a	n/a
Ernest Bejda	1,560	356	676	338	n/a	n/a	n/a
Michał Bernaczyk	303	-	-	-	n/a	n/a	n/a
Adam Brzozowski	86	86	-	-	n/a	n/a	n/a
Marcin Eckert	181	181	-	-	n/a	n/a	n/a

Compensation and other short-term employee benefits paid by PZU	1 January – 31 December 2024 (PLN 000s)				1 January – 31 December 2025 (PLN 000s)		
		including part of variable compensation for 2019-2022	including a non-competition fee	including a severance pay		including part of non-deferred variable compensation for 2024	including a non-competition fee
Management Board (cont.)							
Anita Elżanowska	189	-	-	-	n/a	n/a	n/a
Beata Kozłowska-Chyła	1,632	387	699	350	n/a	n/a	n/a
Wojciech Olejniczak	332	-	-	-	n/a	n/a	n/a
Paweł Surówka	25	25	-	-	n/a	n/a	n/a
Krzysztof Szypuła	181	181	-	-	n/a	n/a	n/a
High-level managers (PZU Group Directors)	**6,188**	**-**	**1,195**	**680**	**7,169**	**1,836**	**1,601**
Katarzyna Majewska	n/a	n/a	n/a	n/a	359[3)]	-	-
Artur Fromberg	n/a	n/a	n/a	n/a	520[4)]	-	-
Michał Kopyt	n/a	n/a	n/a	n/a	496	-	-
Michał Świtalski	n/a	n/a	n/a	n/a	94	-	-
Iwona Wróbel	508[5)]	-	-	-	815	224	-
Aleksandra Agatowska	648	-	194	140	186	101	85
Sławomir Bilik	354	-	-	-	654	213	297
Andrzej Jaworski	626	-	189	135	178	97	81
Bartłomiej Litwińczuk	626	-	180	135	187	97	90
Dorota Macieja	626	-	180	135	187	97	90
Jarosław Mastalerz	387	-	-	-	638	232	308
Sylwia Matusiak	626	-	182	135	186	97	89
Paweł Wajda	354	-	-	-	605	213	297
Dominik Witek	524[6)]	-	270	-	97	97	-
PZU Group Directors who are not members of PZU Życie Management Board	909	-	-	-	1,967	-	-

[1)] This includes the base salary for the period from 1 to 25 September 2025 in the position of Managing Director for Corporate Affairs in the PZU Group, paid during the appointment as the President of the Management Board of PZU SA.
[2)] This includes the fixed salary for the period from 27 January 2025 to 2 March 2025 during the secondment from the Supervisory Board of PZU to temporarily perform the duties of the President of the Management Board of PZU SA.
[3)] This includes the base salary for the period from 1 to 15 June 2025 in the position of Director of Operations and Logistics for the PZU Group, paid during the appointment as the Director of the PZU Group in PZU SA, a Member of the Management Board of PZU Życie SA.
[4)] This includes the annual bonus for 2024 for achieving goals in the position of Managing Director for Sales, paid during the appointment as the Director of the PZU Group in PZU SA, a Member of the Management Board of PZU Życie SA.
[5)] Including base compensation, sick pay, awards, bonuses and vacation pay for serving as Strategic Project Director until 21 April 2024.
[6)] Including annual bonus for the position of Director of the Office of Medical Services held until 6 June 2023.

In 2024, PZU Management Board Members were paid part of the benefits for 2020-2022 under the variable compensation system. The payout of the remaining part of the bonus for 2020-2025 may be made in subsequent periods. For these benefits, the PZU Group has a liability with the total amount of PLN 40,361 thousand as at 31 December 2025 (including the employer's burdens, as at 31 December 2024: PLN 32,784 thousand).

	1 January – 31 December 2024 (PLN 000s)				1 January – 31 December 2025 (PLN 000s)		
Compensation and other short-term employee benefits paid by other PZU Group entities		including part of variable compensation for 2019-2022	including a non-competition fee	including a severance pay		including part of non-deferred variable compensation for 2024	including a severance pay
Management Board, of which:	-	-	-	-	17	-	-
Bogdan Benczak	-	-	-	-	17[1)]	-	-
High-level managers (PZU Group Directors), including:	**7,986**	**-**	**2,444**	**1,022**	**7,886**	**1,760**	**1,570**
Katarzyna Majewska	n/a	n/a	n/a	n/a	514[2)]	-	-
Artur Fromberg	n/a	n/a	n/a	n/a	945[3)]	-	-
Michał Kopyt	n/a	n/a	n/a	n/a	744	-	-
Michał Świtalski	n/a	n/a	n/a	n/a	141	-	-
Iwona Wróbel	684[4)]	-	-	-	1,222	337	-
Sławomir Bilik	530	-	-	-	906	318	446
Aleksandra Agatowska	881	-	419	210	-	n/a	n/a
Andrzej Jaworski	851	-	405	203	-	n/a	n/a
Bartłomiej Litwińczuk	851	-	405	203	146	146	-
Dorota Macieja	851	-	405	203	146	146	-
Jarosław Mastalerz	580	-	-	-	838	348	419
Sylwia Matusiak	851	-	405	203	146	146	-
Paweł Wajda	530	-	-	-	473	-	405
Dominik Witek	682[5)]	-	405	-	146	146	-
PZU Group Directors who are not members of PZU Życie Management Board	695	-	-	-	1,520	173	300

[1)] This includes the salary for the period from 1 to 25 September 2025 in the position of Managing Director for Corporate Affairs in the PZU Group, paid during the appointment as the President of the Management Board of PZU SA.
[2)] This includes the salary for the period from 1 to 15 June 2025 in the position of Director of Operations and Logistics for the PZU Group, paid during the appointment as the President of the Management Board of PZU Życie SA.
[3)] This includes the base salary for the period from 1 to 16 April 2025, social fund benefits, remote work allowance, and the annual bonus for 2024 for achieving goals in the position of Managing Director for Sales at PZU Życie SA; the base salary for the period from 1 to 16 April 2025, holiday allowance, in the position of Managing Director for Corporate Sales of Non-Wage Benefits at PZU POMOC SA; the base salary for the period from 1 to 16 April 2025, remote work allowance, and the annual bonus for 2024 for achieving goals in the position of Director of the Health Products Sales Office at PZU Zdrowie SA. The above-mentioned compensations were paid during the appointment as a Member of the Management Board of PZU Życie SA.
[4)] Including base compensation, sick pay, awards, bonuses and vacation pay for serving as Strategic Project Director until 21 April 2024.
[5)] Including annual bonus for the position of Director of the Office of Medical Services held until 6 June 2023.

	1 January – 31 December 2024 (PLN 000s)	1 January – 31 December 2025 (PLN 000s)
Total estimated value of non-cash benefits granted by PZU and PZU's subsidiaries		
Management Board	**1,383**	**1,489**
Bogdan Benczak	n/a.	43
Maciej Fedyna	-	155
Bartosz Grześkowiak	86	205
Elżbieta Häuser – Schöneich	95	374
Tomasz Kulik	173	229
Tomasz Tarkowski	10	161
Jan Zimowicz	86	230
Andrzej Klesyk	n/a.	65
Artur Olech	89	22
Ernest Bejda	44	n/a
Michał Bernaczyk	13	n/a
Małgorzata Kot	37	n/a
Beata Kozłowska-Chyła	135	n/a
Krzysztof Kozłowski	47	n/a
Piotr Nowak	403	n/a
Maciej Rapkiewicz	125	n/a
Małgorzata Sadurska	40	n/a
High-level managers (PZU Group Directors)	**1,120**	**880**
Artur Fromberg	n/a	154
Michał Kopyt	n/a	114
Katarzyna Majewska	n/a	85
Michał Świtalski	n/a	14
Iwona Wróbel	100	205
Sławomir Bilik	79	40
Jarosław Mastalerz	85	28
Paweł Wajda	77	27
Aleksandra Agatowska	151	n/a
Andrzej Jaworski	124	n/a
Bartłomiej Litwińczuk	70	n/a
Dorota Macieja	65	n/a
Sylwia Matusiak	78	n/a
Dominik Witek	120	n/a
PZU Group Directors who are not members of PZU Życie Management Board	171	210

PZU has no obligations arising from pensions or similar benefits for former members of the management, supervisory or administrative bodies, nor any obligations incurred in connection with such pensions.

8. Sustainability Statement



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8.1. General disclosure

[BP-1] Basis for preparation of sustainability statement

[BP-2] Disclosures in relation to specific circumstances

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability statement

8.1.1. Basis for statement preparation

The sustainability statement has been prepared in accordance with applicable EU and national laws, in particular with:

- Act of 29 September 1994 on Accounting;
- Act of 6 December 2024 on Amendments to the Act on Accounting, the Act on Statutory Auditors, Audit Firms and Public Supervision and Certain Other Acts;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the so-called "EU Taxonomy");
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021;
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021;
- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

In PZU Group documents, the terms "Sustainability Statement", "Statement" and "Sustainability Reporting" are used interchangeably.

The Statement was prepared on a consolidated basis and covers the PZU Group's operations from 1 January to 31 December 2025. The scope of the consolidation is consistent with the principles applied in the consolidated financial statements of the PZU Group. The Statement applies to PZU as the parent company and to the PZU Group, in accordance with the list of entities included in the consolidation in the financial statements.

At the same time, analyzing the materiality in terms of sustainability of PZU Group entities, the following exclusions were made, which represent the main differences between the levels of consolidation of the documents:

- entities in liquidation;
- entities with no business operations;
- affiliates that were not required to report fully at the consolidated level (according to EFRAG IG 2 - Value Chain Implementation Guidelines);
- investment funds and SPVs that have no or limited business operations (including SPVs of the PZU FIZ Real Estate Sector fund).

Given the availability of the data, full consolidation was applied to data concerning the investment taxonomy and the level of Scope 3 CO_2 investment emissions.

The scope of consolidation for the PZU Group's sustainability data includes information from the Pekao Group and the Alior Bank Group, both of which publish their own sustainability statements. PZU Życie, Link4, PZU Lietuvos Draudimas (including its branch in Estonia) and BALTA are subject to reporting requirements; however, pursuant to Article 19a(9) and 29a(3) of the CSRD, they benefit from the exemption available to entities belonging to the PZU Group and therefore do not prepare separate sustainability reports. Disclosures relating to PZU Życie, Link4, PZU Lietuvos Draudimas and BALTA have been incorporated into this Statement. Other PZU Group entities included in the consolidation are not required to publish a separate sustainability statement for the financial year ending 31 December 2025. Other PZU Group entities included in the consolidation are not required to publish a standalone Sustainability Statement for the financial year ending 31 December 2025.

The Sustainability Statement was revised in 2025. Its scope now includes Ukrainian companies and PZU Tech, which were excluded from the 2024 statement. Scope 3 Category 15 CO_2e emissions for 2024 in insurance and in the scope of emissions reported by the Alior Group were recalculated. Changes in qualitative disclosures resulting from simplification and reduction of repetitions were implemented to better reflect the principle of materiality and qualitative characteristics of information.

PZU Group does not use the concept of disclosure by reference.

The Statement includes ESRS-required disclosures and provides contextual information for a more complete understanding.

Most of the PZU Group policies referenced in the Statement were prepared and implemented prior to the introduction of the ESRS, and therefore do not cover all MDR requirements. Also, not all targets, measures and activities are defined in line with MDR requirements. In the years to come, the PZU Group will strive to align existing policies and other documents with ESRS standards to ensure complete coverage of all requirements.

In preparing the Statement, the full value chain of the PZU Group was taken into account, including both downstream and upstream activities.

The PZU Group did not make use of exemptions on disclosures of information on intellectual property, results of innovation or information on expected events or negotiations.

The Statement was subject to an independent limited assurance engagement. The engagement was conducted in line with Polish standards for assurance services (3002 PL and 3000 Z), based on international principles.

Time horizons

Unless otherwise stated, the PZU Group classifies time horizons as short-term, medium-term, and long-term in accordance with the definition provided in ESRS 1, section 6.4. The short-term horizon refers to a period of one year from the end of the reporting period (i.e., the financial year 2026), the medium-term horizon covers the period from the end of the short-term horizon up to five years from the end of the reporting period (i.e., financial years 2027–2030) and the long-term horizon refers to the period after the end of the medium-term horizon (i.e., the financial year 2031 and beyond).

Use of estimates and assumptions

The preparation of the Sustainability Statement requires the PZU Group to apply certain estimates and assumptions. Where there are estimates or uncertainties about the indicators disclosed, the relevant information and data are highlighted in the individual sections. The estimates and assumptions made are based on the best available information within the limits of reasonable effort. Any changes to these assumptions and estimates may result in outcomes differing from those presented in this Sustainability Statement.

The estimates and assumptions used are continuously verified to enable potential improvements in the future. Below, sources of potential measurement uncertainties are presented.

Indicators related to non-employee personnel (S1 topic) have been prepared based on estimated values due to the lack of uniform tools allowing for the collection of precise data. The PZU Group has made every effort to identify data sources and ensure their completeness. Nevertheless, they may not cover all organizational units that employ individuals based on documents other than an employment contract.

Since the data necessary to calculate the gender pay gap are confidential, the PZU Group calculates a weighted average gender pay gap at the consolidated level.

Additionally, in terms of CO_2 emission calculations, estimated data have been applied in accordance with the GHG Protocol and PCAF methodology, using external databases such as Bloomberg and PCAF for estimation purposes. The PZU Group identifies potential actions to improve the quality of calculated data, focusing on enhancing the PCAF score for calculated Scope 3, Category 15 CO2e emissions.

Taxonomy revenue disclosures are calculated using assumptions regarding, among other things, the share of climate losses in premiums, and have also been adjusted to comply with applicable laws, including with changes under IFRS 17. With the level of aggregation at which IFRS 17 calculations are made, the allocation key detailed in the PZU Group Taxonomy Disclosures section is used in the revenue calculation methodology.

The PZU Group benefits from the phased-in disclosure requirements under Appendix C ESRS 1 regarding the exemption from presenting expected financial impacts related to all risks and opportunities, including E1-9.

Rounding up indicators and targets in the Statement

Quantitative indicators in the Sustainability Statement are subject to rounding in some cases. The PZU Group applies rounding in cases where the omitted information as a result of rounding is not material and in situations where rounding can enhance the qualitative characteristics of the information. For example, rounding is used when it improves the clarity of disclosures or reduces misinterpretations regarding the precision of the data.

Inclusion of information under other standards, regulations, or reporting frameworks

The PZU Group does not include additional information in its Sustainability Statement beyond the taxonomy disclosures provided in the PZU Group Taxonomy Disclosures section. Other disclosures, including those required under SFDR (Sustainable Finance Disclosure Regulation), are presented outside the Sustainability Statement.

The PZU Group has not used ISO/IEC or CEN/CENELEC standards in the preparation of this Sustainability Statement.

Process for determining material information in relation to identified material impacts, risks, and opportunities

Materiality was determined by disclosing information that relates to material impacts of risks and opportunities and/or that is relevant to the users of information in line with the guidelines.

The PZU Group's Statement contains aggregated relevant information for the entire Group. Due to the nature of their operations, the Pekao Group and the Alior Group manage their ESG issues independently. In its Statement, the PZU Group identified key information from the Group's perspective. Details concerning the management of impacts, risks and opportunities from a banking perspective are included in the statements of the Pekao Group and the Alior Group.

Where warranted by the transparency of the Statement or the nature of the impacts, risks and opportunities, disclosures have been disaggregated into individual components of the value chain or PZU Group companies.

Since the PZU Group does not have policies applicable to all its companies, the Statement identifies key policies and other documents from the perspective of managing individual impacts, risks and opportunities, along with an indication of which companies they apply to. A similar approach was applied to disclosures related to activities, indicators and targets.

[SBM-1] Strategy, business model and value chain

8.1.2. Strategy, business model and value chain

PZU Group's business model and value chain

The PZU Group is a financial conglomerate with operations in four main areas: insurance, health care, investment and banking. In 2025, there were no significant changes in the products and services offered, as well as in the markets in which the PZU Group operates.

The Group's business model is based on an integrated approach, taking advantage of synergies between subsidiaries to provide comprehensive services to individual, corporate, institutional and public customers. The PZU Group uses a variety of capitals – financial, human, intellectual, social and natural – to create value over the long term.

The PZU Group's operations are focused mainly on the Polish market, where it is one of the key players in the insurance, investment and banking sectors.

The Group also has operations in the Baltic States (Lithuania, Latvia, Estonia) and Ukraine. Products and services are adapted to local regulatory and social aspects, taking into account accessibility for the elderly, people with disabilities and residents of smaller towns. Products are distributed through PZU's own branches, tied agents, multiagencies, brokers, banks and remote channels. Digital platforms, including mojePZU, allow customers to remotely manage policies, health services and investment products.

Insurance protection and insurance market growth

The PZU Group offers a wide range of financial products and services. PZU and PZU Życie are the main entities responsible for the insurance business. PZU offers a range of non-life insurance products, including motor, real estate, travel, agricultural, third-party liability, and financial insurance, as well as guarantees. In terms of life and health insurance, PZU Życie offers individual and group products, including third-party liability insurance, financial insurance and guarantees. Selected insurance products are available in cooperation with banks through bancassurance.

TUW PZUW, as a mutual insurance company, offers insurance cover solutions to strategic businesses, local government units, medical entities, as well as church institutions, among others. It participates in energy transition projects, including by providing insurance for the energy industry of the future.

LINK4 specializes in selling insurance in a direct model, offering motor, property, personal, as well as third-party liability insurance, mainly through digital channels.

In foreign markets, the PZU Group operates through its subsidiaries: PZU Lietuva and Lietuvos Draudimas in Lithuania; BALTA in Latvia; the PZU Estonia branch in Estonia; and PZU Ukraine and PZU Ukraine Life Insurance in Ukraine. These companies offer insurance products tailored to local needs, including motor, property, health, travel, agricultural, third-party liability, construction risk and financial risk insurance, as well as pension plans.

Banking activities and financial services integration

The PZU Group conducts its banking operations through Bank Pekao and Alior Bank.
Both banks offer a full range of services to individuals, small and medium-sized enterprises and large companies. Offerings include cash and mortgage loans, leasing, credit cards, deposits, savings accounts and FOREX transactions, among others. Banks also provide treasury and investment services, including by offering derivatives and private banking.

Asset management and investment products

TFI PZU and PTE PZU play a key role in the investment structure of the PZU Group, offering a wide range of services in asset management and pension products. TFI PZU manages both the assets of external clients and the PZU Group entities' own investments, making it an important player in supporting financial stability and the achievement of strategic investment objectives.

As part of its activities, TFI PZU offers investment funds with a diversified risk profile and asset classes, including equity instruments, debt instruments, derivatives and real estate investments. The PZU TFI offerings include investment products compliant with Article 8 or Article 9 of the SFDR.

PTE PZU focuses on pension funds, including Employee Pension Schemes and Employee Capital Schemes, serving a wide range of employers and participants.

Development of healthcare services

PZU Zdrowie pursues a strategy to develop healthcare services. PZU Zdrowie's business is focused on providing access to high-quality medical benefits for individual and group customers, including employees of companies covered by insurance and subscriptions. PZU Zdrowie offers a wide range of services, including specialized consultations, diagnostic imaging, rehabilitation, occupational medicine, preventive care and telemedicine. It develops modern forms of medicine, such as the Telemedicine Center, which enables remote consultation and benefit management. PZU Zdrowie operates through a network of its own establishments and partner centers, ensuring the availability of services throughout Poland.

Support activities

Within its structure, the PZU Group uses specialized entities to carry out key operational, technological and consulting functions, providing comprehensive support for its core processes. PZU Pomoc is responsible for arrangements in assistance services, claims handling, cooperation within the repair shop network, and benefit programs such as PZU Sport. PZU LAB offers risk analysis, product certification, process safety consulting, thermal imaging diagnostics and support for energy investments. PZU Centrum Operacji is responsible for handling operational processes, including settlements and document administration. PZU Finanse provides financial and accounting services to other PZU Group entities. PZU Tech provides technology solutions, develops IT systems, and ensures digital security. Tower Inwestycje manages commercial properties and pursues investment projects, while Ogrodowa-Inwestycje is responsible for strategic real estate and the modernization of office complexes.

Armatura Kraków, as a non-financial company, specializes in manufacturing bathroom and kitchen faucets, valves, radiators and bathroom screens. The operations of Armatura Kraków were included in a separate materiality analysis, which showed its limited impact on the PZU Group's list of significant topics. The PZU Group's overall revenue in 2025 was PLN 68,903 million. In 2025, the PZU Group had 37,719 employees.

PZU Group's value chain

The PZU Group value chain is based on key business lines that cover a wide range of financial and insurance services. Each segment of this chain supports the delivery of solutions for clients, which impacts operational and business efficiency. The presentation of the downstream value chain is from the perspective of relationships that ensure the delivery of services to PZU Group customers. PZU Group companies are part of their own operations, while each chain segment specifies the entities affected.

Downstream							Own operations	Upstream
Non-life insurance	**Life insurance and health insurance**	**Own investments**	**Investment funds and pension funds**	**Business Banking**	**Retail Banking**	**Healthcare**	**Own Operations**	**Suppliers**
Value chain elements								
Risk assessment Product creation Product marketing and distribution Claims and benefits handling Management of relationships with customers	Risk assessment Product creation Product marketing and distribution Claims and benefits handling Management of relationships with customers	Capital management Risk analysis and assessment Portfolio diversification Investment monitoring and management	Asset management Marketing and distribution Accumulation of pension contributions Fund withdrawals Client relationship management	Banking services – lending and leasing, bond issuance, cash management, deposit business, customer relations, risk management	Banking services – daily banking, credit portfolio, deposit business , client relations, risk management	Medical services, marketing and distribution, quality management, patient service	Employee relations Property protection Facilities IT Regulatory compliance and supervision	External suppliers and service providers
External actors in the value chain								
Retail clients SME customers Corporate clients Reinsurers	Customers Reinsurers Business partners	Portfolio companies Tenants of the property	Customers Portfolio companies Institutional stakeholders	SME customers Corporate clients Business partners Intermediaries	Retail clients Business partners Intermediaries	Patients Own and partner medical facilities	Office workers and sales network employees of all Group entities Local community	Suppliers (e.g., of technology, data) Distributors and agents (e.g., brokers) Insurance partners
PZU Group entities								
PZU TUW PZUW Link4 BALTA Lietuvos Draudimas PZU Pomoc PZU Ukraine	PZU Życie TUW PZUW UAB PZU PZU Ukraine Life Insurance	PZU Group's investment assets Tower Inwestycje Ogrodowa Inwestycje	TFI PZU PTE PZU Pekao Group Alior Group	Pekao Group Alior Group	Pekao Group Alior Group	PZU Zdrowie	Employees of all Group entities	

[SBM-2] Interests and views of stakeholders

Stakeholder group	Description of cooperation	Key stakeholders	Engagement organization	Purpose of cooperation	How to take into account the results of cooperation
Employees	The PZU Group maintains ongoing, open communication with its employees. The dialog takes place at the strategic and operational levels and is led by the HR Department and Management. The goal is to create an engaging work environment, fostering development, well-being and a culture of intergenerational collaboration and openness to change.	All PZU Group employees, including managers, trade unions and those employed by subsidiaries. The collaboration covers operational staff, experts and managers from different generations and locations, which requires diverse forms of communication and support.	• conducting cyclical engagement surveys; • mapping and analyzing Employee Experience; • setting clear, measurable goals, measured on a quarterly and annual basis; • having (annual and quarterly) meetings with superiors, team meetings; • having regular meetings between managers and HR representatives, preparing managers for open dialog and development contracts; • information campaigns on development opportunities and support; • running the #rozmawiajMY (#let'sTalk) program which supports dialog and communication; • running the #DobryStan (#Well-being) program which promotes well-being and the work-life balance; • having intranet plus company-wide and thematic newsletters, functional mailboxes, live debates, webinars, videos, broadcasts of meetings with the Management Board; • whistleblowing system; • engaging employees in change (e.g., through ambassador groups); • having trade unions participate in consultations and negotiations;	• providing professional and personal development; • understanding the organization's strategy and performance; • activating employees to participate in initiatives and projects; • promoting good hybrid work and flexibility practices; • ensuring intergenerational and inter-area cooperation; • preparing for change and crisis situations; • ensuring community involvement and volunteerism; • preventing diseases, promoting health and preventing burnout; • strengthening responsibility for growth and well-being; • enhancing sense of influence over decisions and work environment; • engaging in dialog with trade unions to support the organization's sustainable development.	The results of engagement surveys and other forms of consultations are analyzed by the HR Department and Management. On this basis, changes in HR policies, working arrangement (e.g., flexible remote working), incentive systems, and development activities are implemented. Feedback is used to design well-being programs, information campaigns and health promotion initiatives. The results are reported to the Board and support the human capital management strategy.
Customers	The PZU Group maintains ongoing multi-channel communication with customers – at branches, medical centers and agents' offices – and remotely, with hotlines, social media, forms, chats, e-mails, as well as mojePZU, inPZU, Alior Mobile and PeoPay platforms. The communication is simple and accounts for the needs of different groups, including seniors and people with disabilities.	Individual clients using health, motor or property insurance, corporate clients (companies, local governments and public institutions), participants in ECSs and EPSs, and employees covered by group insurance. In this category, the PZU Group includes retail and institutional customers, vulnerable people such as seniors, and customers who prefer digital or traditional contact.	• the Client Ombudsman and Health Ombudsman; • satisfaction and service quality surveys; • a customer improvement database (employee initiatives); • OK SENIOR® certification for senior-friendly establishments; • participation in trade fairs, conferences, and industry meetings; • financial and insurance education programs; • implementing omni-channelism and removing barriers to accessing services;	• ensuring a positive shopping and service experience; • incorporating client feedback in business solution design; • making terms of offers and contracts transparent; • preventing digital and social exclusion.	The results of customer satisfaction and feedback surveys are used to modify products, service processes and communications. Suggestions influence the development of offerings and system improvements. Feedback is provided to relevant units and supports the client-centric strategy.

Stakeholder group	Description of cooperation	Key stakeholders	Engagement organization	Purpose of cooperation	How to take into account the results of cooperation
Business partners and agents	The PZU Group works with agents and brokers in a partnership model based on trust and mutual benefit. This includes joint initiatives, consultations, educational and sales efforts – in face-to-face meetings and through digital tools (portal, newsletters, social media). Partners have the opportunity to actively participate in the process of improving products and services.	Tied agents, multi-agents and insurance brokers. The cooperation covers a wide network of intermediaries who play an important role in the distribution of PZU Group products. This category includes B2B sales partners, local agents, corporate brokers and strategic partners supporting the development of distribution channels.	• having annual and monthly meetings with agents; • internal communication portal for agents; • sending out newsletters with news and sales materials; • engaging in ongoing communication in social media; • providing training and sales support programs; • consultation groups and business forums for agents; • conducting opinion polls, focus groups, satisfaction and quality-of-cooperation surveys;	• learning the partners' expectations and challenges; • presenting and jointly implementing strategic plans; • improving products and sales processes; • building honest, long-term relationships; • accessing up-to-date information and tools to support sales; • jointly building value for end customers.	Conclusions from studies, meetings and consultations are used to optimize offerings, service processes and sales strategy. Feedback from agents and brokers influences product development, modifications to sales systems and measures to increase the efficiency of cooperation.
Suppliers	The PZU Group works with a wide range of suppliers, basing its relationships on ethics and compliance with the "Code of CSR Best Practices for PZU Group's Suppliers". It builds long-term partnerships with them, implements joint optimization projects and conducts regular compliance reviews, including in the ESG area.	Technology (IT, cloud) service providers, marketing, administrative and logistics service companies – both local and international. Stakeholder categories include technology and non-technology suppliers, strategic partners, subcontractors and new counterparties included in the list of qualified suppliers.	• List of Qualified PZU Suppliers; • conducting PZU and PZU Życie supplier audits (which account for ESG and service quality requirements); • having (ongoing and periodic) meetings and negotiations; • supporting the understanding of requirements and standards; • working together on the quality of supplies; • exchanging knowledge about the potential and capabilities of both sides;	• maintaining a responsible and sustainable supply chain; • having ethical purchasing practices in place; • holding up to high business standards; • bringing increased ESG awareness among suppliers; • ensuring better quality of goods and services; • ensuring business continuity and operational security.	The results of audits, risk assessments and supplier feedback are systematically analyzed and used to update procurement policies and selection criteria, as well as to decide on continuing cooperation. Regular communication and dialog with suppliers supports improvement and strengthens accountability throughout the value chain.
Capital market	The PZU Group maintains transparent, two-way communication with capital market players It includes current and periodic reporting, the presentation of financial performance, meetings with investors and analysts, broadcasts of corporate events, and an investor relations service (PL/EN). The goal is to provide equal access to information and build trust in the PZU Group's strategy.	Institutional investors (investment funds, pension funds, asset management), individual investors, financial analysts and rating agencies. Stakeholder categories include capital market players, entities that assess the financial credibility of the PZU Group, as well as retail and institutional shareholders.	• holding shareholder meetings with online participation; • providing current and periodic reports in accordance with stock exchange requirements; • holding quarterly performance presentations and meetings with the Management Board; • broadcasting corporate events (PL/EN); • providing the IR service with reports, presentations, recordings, calendar, contacts; • meeting institutional investors (at conferences, roadshows, teleconferences); • WallStreet annual conference for individual investors; • having the "Moje Akcje PZU" loyalty program in place;	• equal access to information affecting investment decisions; • building investor and analyst confidence; • ensuring transparency of business and financial operations; • supporting investment decisions with reliable data; • understanding PZU Group's business model and strategy; • growing capitalization and efficiently distributing profits.	Questions and requests from investors and analysts are analyzed by the Investor Relations Team and forwarded to the relevant units. On this basis, the PZU Group is improving communication, data presentation and IR tools. The impacts are taken into account in annual plans and reported in the Management Board's report on the activity of the PZU Group and PZU SA.

Stakeholder group	Description of cooperation	Key stakeholders	Engagement organization	Purpose of cooperation	How to take into account the results of cooperation
Government authorities and entities of the financial market infrastructure (KNF, UOKiK, WSE)	The PZU Group maintains an ongoing dialog with government authorities and market regulators. We participate in legislative consultations, debates, conferences and working groups. The KNF and the UOKiK supervise the PZU Group's compliance with laws, recommendations and governance standards.	Supervisory and regulatory institutions and EU bodies.	• participating in consultations on legislative projects; • providing opinions on draft legislation; • participating in meetings with regulators on the effects of regulation; • reporting in accordance with supervisory requirements; • cooperating in the implementation of recommendations and guidelines; • participating in industry conferences and debates;	• complying with laws and regulations; • co-shaping the regulatory environment in a manner conducive to market growth; • identifying and analyzing the impact of new (national and EU) regulations; • implementing preventive measures and mitigating potential regulatory risks.	Recommendations and guidelines from regulators are analyzed and implemented in the relevant areas of the PZU Group. Key changes are reported to the PZU Management Board and the PZU Supervisory Board, and we include them in our strategy and policy updates.
Industry organizations and public institutions (including PIU, ZBP, FOB)	The PZU Group cooperates with NGOs, public institutions and industry organizations. Participating in their work allows us to co-create good practices and market standards.	Industry and expert organizations (e.g. PIU, ZBP, FOB, UN Global Compact Poland) and educational institutions supporting the development of good practices in insurance, finance and ESG.	• participating in PIU and ZBP working groups and consultations conducted by industry organizations; • participating in and organizing conferences, seminars and debates; • co-creating expert and educational publications and materials; • exchanging knowledge and experience in the ESG;	• promoting ethics, responsibility and sustainability; • supporting the development of good market practices and ESG standards; • co-shaping industry and regulatory policies in the spirit of sustainable development.	Conclusions from projects and consultations support the improvement of strategic activities in ESG. The opinions of NGOs and public institutions are taken into account in planning future initiatives and included in non-financial reporting. Participation in the work of the PIU, FOB and ZBP helps shape market standards and public policies.
Local communities and NGOs	The PZU Group works with local communities and NGOs across Poland, focusing on social, educational and preventive projects. This cooperation includes engaging employees in voluntary work, supporting local initiatives, activities that improve the quality of life, safety and health of residents. The PZU Group supports community development by providing grants and subsidies as well as pursuing social campaigns and prevention and sponsorship activities.	Foundations and associations operating in the areas of health, education, security; community leaders and particularly supported groups (children, youth, seniors). The PZU Group also cooperates with organizations working to improve safety (e.g., GOPR). Stakeholder categories include urban and rural communities, groups at risk of exclusion, beneficiaries of volunteer and prevention projects and participants in local initiatives supported by the PZU Group.	• running prevention (health, safety) campaigns; • supporting emergency services and local infrastructure; • engaging in employee volunteer projects; • providing grants for original local projects; • providing subsidies for the disadvantaged; • running sports and educational projects for children and young people; • cooperating with local institutions in organizing events;	• ensuring community development; • strengthening the PZU Group's role as a responsible social partner; • developing employee volunteerism and civic engagement; • improving the safety and quality of life; • equalizing educational and social opportunities; • encouraging employees to be socially and civically active; • promoting healthy lifestyles and physical activity; • reducing disparities in access to services and infrastructure.	The PZU Group monitors the effects of activities in terms of their social impact. Findings are used to plan future initiatives, improve volunteer programs and prevention. Feedback from beneficiaries and local partners is incorporated into the PZU Group's social responsibility strategy and reported to the Management Board as part of achieving ESG targets.

Stakeholder group	Description of cooperation	Key stakeholders	Engagement organization	Purpose of cooperation	How to take into account the results of cooperation
Media	The PZU Group cooperates with the media in a manner based on the principles of transparency, availability of information and the building of trust. It conducts proactive activities (through press materials, conferences, briefings) and reactive activities (responses to journalists' inquiries). PZU actively participates in the public debate, educating in the areas of insurance and finance – in traditional, digital and social media.	National and regional media, industry media (insurance, finance, economy), portals and news websites, and journalists specializing in economic and social issues. The category includes traditional media such as printed press, radio and television, digital and social media, and thematic publications (business, health, insurance).	• preparing and distributing press releases; • holding press conferences and briefings; • having experts participate in interviews and debates; • participating in industry conferences and public events; • maintaining relationships with key editors and journalists, • ensuring social media presence (LinkedIn, Twitter/X, Facebook); • responding to press inquiries in accordance with the PZU Group's information policy;	• giving quick and reliable access to information about PZU Group activities; • building a positive and expert image of the PZU Group in the public space; • raising public awareness of insurance, finance and social responsibility; • strengthening confidence in the PZU brand; • promoting the PZU Group's strategies, initiatives and activities in ESG, innovation and prevention.	The PZU Group is monitoring media coverage and public reactions. Conclusions are used to improve communication strategy, adjust messages and respond to information needs. The opinions of journalists and audiences are taken into account when planning information and education campaigns, as well as in shaping the PZU Group's information policy.

The results of stakeholder cooperation are monitored and recognized in PZU Group operations. The effects of activities relating to social engagement, customer satisfaction and operational process efficiency are analyzed. The PZU Group strives to implement innovative solutions that strengthen its position as a responsible financial market player. Management staff responsible for relations with individual stakeholders in accordance with their competencies report the results of their cooperation to the Management Board. Through these activities, the PZU Group is building long-term relationships with its stakeholders, raising the standards of management and value creation for all parties involved in the PZU Group's operations.

[SBM-1] Strategy, business model and value chain

PZU Group Strategy

Sustainability is an integral part of the PZU Group's new business strategy for 2025-2027, "confidence meets the future" published in December 2024. The following are the key elements that provide a reference for the targets implemented at the level of each business area.

Environment (E)

Strengthening resilience in the face of climate change:

- reducing CO_2e intensity in corporate insurance, banking and investments;
- Financing projects that support green transition;
- Impact of climate change on claims ratio included in tariffs.

Social impact (S)

Developing social skills:

- Diversity, equality, inclusiveness;
- Financial security, on the road and online;
- Physical and mental health.

Corporate governance (G)

Building a modern and transparent governance model:

- New governance model;
- Arranging the structure of assets.

The key strategic ambitions in sustainability are:

-23% CO_2e emission reduction in corporate insurance in terms of customer declarations by 2030

Due to the early date of publication of these statements, the PZU Group does not have access to the necessary data which would allow calculating the reduction index during the reporting period.

PLN 3 billion in investments in green transition and innovation for 2025-2027

In terms of financing projects that support sustainable development and innovation, the PZU Group has increased financing for one wind farm in 2025, completed ESG-linked loan transactions and invested in private equity funds.

Investments in green transition and innovation in 2025 amounted to PLN 917.5 million. Activities in this area are implemented by PZU, PZU Życie and TFI PZU (through closed-end investment funds for non-public assets managing the Group's own funds).

15 million people covered with social responsibility activities each year that the strategy is in force

The PZU Group continues to promote healthy and active lifestyles and is committed to building healthy social attitudes. In 2025, PZU has also engaged in wide-reaching initiatives, such as:

- the "Mistrzu, zwolnij" (Slow down, Champ) prevention campaign to promote safe driving;
- the #dlaKOLEGIpytam (#askingforaFRIEND) educational campaign to encourage men to get preventive screenings;
- the #myBREASTfriend educational campaign encouraging women to get preventive screenings.

The estimated audience of the implemented social campaigns in 2025 was 16.1 million people. Activities in this area are implemented by PZU, PZU Życie and the PZU Foundation.

8 million users in mojePZU digital channels by the end of 2027

In 2025, measures have been implemented to popularize account creation and the use of the mojePZU service, including through printing relevant information on PZU envelopes, setting targets for sales, operations and claims handling channels, as well as engaging in text and e-mail messaging with customers. Scenarios have also been prepared for customers making purchases without logging in, and the service's digital accessibility standard has been raised.

At the end of 2025, the number of mojePZU users was 5.8 million.

Highest market NPS in each year of the strategy

In 2025, PZU implemented a series of measures in the service and product areas, as well as in digital channels, affecting the perception of the PZU brand among consumers, including further processes to enable digital service.

The 2025 Relational NPS survey ordered by PZU, based on a representative sample of Poles, placed PZU first in the market. The survey covered PZU and PZU Życie customers.

Entities in the PZU Group can pursue their own business strategies with components of sustainable development, taking into account the directions set forth in the PZU Group Strategy.

Within the PZU Group, the Pekao Group's "The only way is up" 2025-2027 Strategy and the Alior Group's 2025-2027 "Alior Bank. Or Noting". In both banks, strategies include components of sustainability. In addition, BALTA has prepared an ESG Strategy for 2025-2030.

In the PZU Group, sustainability efforts related to products are directional and supportive in nature and are not defined in the form of uniform, measurable goals for the entire PZU Group. In practice, this means that PZU Group companies are gradually adjusting their offerings to meet environmental and social challenges, introducing solutions that reduce their negative impact on the environment. The PZU Group offers insurance products for low-emission energy sources, as well as investment funds compliant with Article 8 or Article 9 SFDR. In health, PZU Zdrowie's offerings address social goals by developing preventive services and telemedicine, increasing the availability of medical care. In banking, there are plans to freeze the financing amount for major transformation projects.

8.1.3. ESG management in the PZU Group

[GOV-1] The role of the administrative, management and supervisory bodies

Composition and diversity of governing bodies

Due to its structure, extent and line of business, the PZU Group was identified by the Polish Financial Supervision Authority (KNF) as a financial conglomerate in which PZU is the leading entity, and so it is the PZU Management Board and the PZU Supervisory Board which play the key role in the organizational management structure of the PZU Group.

As of 31 December 2025, the Management Board of PZU consisted of seven members, including one woman and six men (14.3% women; ratio of female to male board members 1:6). The Management Board of PZU consisted of people aged:

- 40–49 years: 3 people;
- 50–59 years: 4 people;
- 60+ years: 0 people.

Average age was 50.6 years. All members were Polish citizens. In 2025, there was no formal employee representation in the PZU Management Board.

As of 31 December 2025, the Supervisory Board of PZU consisted of eleven members, including four women and seven men (36% women; ratio of female to male board members 4:7).

The Supervisory Board of PZU consisted of people aged:

- 40–49 years: 3 people;
- 50–59 years: 3 people;
- 60+ years: 5 people.

Average age was 55.7 years. All members were Polish citizens. The Supervisory Board consisted of 9 (82%) independent members.

The Supervisory Board of PZU has an Audit Committee, a Strategy Committee and a Nominating and Compensation Committee.

For more information on the composition of the governing bodies, see Section 7.3. Management Board and Supervisory Board.

Experience and expertise of the Management Board and Supervisory Board of PZU

The PZU Management Board members have extensive professional experience gained in the financial, insurance, and banking sectors. They also hold certifications, diplomas, and academic titles, which confirm their high qualifications in key areas relevant to the operations of the PZU Group.

PZU Supervisory Board consisted of individuals with specialized competences and experience in various areas, including legal and economic expertise.

Sustainability implementation is also supported through the competences and experience of the Management Board and Supervisory Board in strategy building, risk management, HR or compliance.

The competencies of the PZU Management Board and the PZU Supervisory Board members are verified in accordance with applicable procedures, including The Diversity Policy concerning members of the bodies of PZU, while in the case of members of the Management Boards of PZU Group entities, in accordance with the Rules for the Qualification Process for Management Board Members in PZU Group Entities. The evaluation process assesses qualifications, professional experience, compliance with legal regulations.

The sustainability area in the PZU Group is coordinated by the Sustainable Development Department at PZU, which reports directly to a member of the PZU Management Board or the President of the PZU Management Board through the PZU Group Director. In most of 2025, the area was supervised by Member of the PZU Management Board Elżbieta Häuser-Schöneich, who has nearly three decades of experience in management, strategy building, sales and marketing, transformation, digitization and business development in the insurance and telecommunications sectors. In November 2025, Michał Świtalski, Director of the PZU Group and Member of the PZU Życie Management Board, with many years of professional practice in the fields of law, public procurement and corporate governance, he took over that area. He reports directly to Bogdan Benczak, President of the PZU Management Board.

The organizational structure of PZU Group entities is tailored to the scale and nature of their operations. The scope of competencies of the companies' governing bodies is defined by legal regulations, particularly the Commercial Companies Code, corporate statutes and agreements. Additional requirements of knowledge in sustainability issues, including those relating to environmental, social, management and human rights factors, have been introduced into the internal regulations for selecting candidates for members of management boards and supervisory boards of PZU Group entities. The knowledge should allow the members to oversee the process of managing material ESG impacts, risks and opportunities. In addition, candidates should know the sustainability reporting process and its impact on the entity's business operations and strategy.

Responsibility for overseeing the management of material sustainability impacts, risks and opportunities

In accordance with the PZU Management Board's Rules and Regulations, the Management Board manages PZU's affairs in all areas of its business, which includes sustainable development, including the approval of the PZU Group's impacts, risks and opportunities identified during the double materiality assessment. Within the division of powers, the President of the PZU Management issues a directive on the exercise of organizational oversight duties by members of the PZU Management Board and the assignment of functions to the Heads of Divisions. The document details the areas of responsibilities assigned to the individual members of the PZU Management Board, including the delegation of oversight of the sustainability area, as well as such sustainability issues as strategy, risk, HR, or cybersecurity. In addition, in accordance with the adopted PZU Group Strategy, sustainable development is an integral part of the PZU Group's business strategy, in the implementation of which all members of the Management Board participate.

The PZU Group implements the principles of sustainable development by integrating ESG into its operational and strategic activities. In line with the PZU Group

Sustainability Policy, revised in 2025, this area is overseen by the Sustainable Development Department at PZU which coordinates activities across the PZU Group and supports setting and implementing ESG targets. Responsibility for managing the area of sustainable development rests with the Director of the Sustainable Development Department at PZU and the governing bodies of PZU Group entities. The PZU Group's Sustainability Policy sets the standards for responsible business conduct in the PZU Group, taking into account its impact on the on the environment, as well as the risks and opportunities associated with sustainability. PZU Group entities have autonomy in implementing, organizing, and managing sustainability matters, guided by the principles set out in the group policies applicable to them. They are also responsible for implementing the systemic solutions and operating standards recommended by the Director of the Sustainable Development Office at PZU. The entities present PZU with ESG information relevant to the Group in line with established rules, so that PZU supervises the implementation of ESG components in its Group strategy.

Overseeing the setting and implementation of sustainability targets

The PZU Group has implemented a standardized process for setting and evaluating targets for Management Board members across its subsidiaries, in accordance with the Principles for setting and evaluating the performance of management targets assigned to members of management boards of PZU Group Entities, adopted in 2025. This document details the principles under which members of the management boards in respective PZU Group entities receive bonuses for resolutions of their shareholder meetings and supervisory boards.

In line with these Principles, a Shareholder Meeting authorizes the Supervisory Board to define detailed management targets and measurable KPIs which serve as the basis for assessing performance.
For PZU, these indicators also impact the variable compensation of management staff. Each year, the PZU Supervisory Board sets the detailed rules for determining variable compensation for a given fiscal year, the management targets, the weights of these targets, as well as the objective and measurable criteria for their achievement and accountability. The ESG targets are in line with the PZU Group's strategy and are further described in section GOV-3 Incentive systems and compensation policy in the context of sustainable development. Under the rules applicable in PZU, variable compensation is awarded to a given member of the Management Board after the Supervisory Board determines that the conditions for its award have been met, the Shareholder Meeting approves the Company's Activity Report and the financial statements for the previous financial year, and the Shareholder Meeting grants discharge for the performance of their duties. Subsequently, the Supervisory Board adopts a resolution stating that the management targets were met and determining the variable compensation. As part of ESG target cascading, the Management Board of PZU has expanded responsibility for ESG target execution to include senior management and selected PZU Group entities. Supervision of these targets is carried out by the PZU Management Board through regular meetings and reporting of results to the PZU Supervisory Board.

ESG information management and addressed ESG Topics

[GOV-2] Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

Sustainability issues, reporting structures to the Management Board and Supervisory Board, and access to expertise

The Director of the Sustainable Development Department at PZU reports directly to a member of the PZU Management Board or the PZU Group Director who in turn reports to the President of the Management Board, so that relevant information, including training needs, is discussed and communicated in real time.
Another tools for informing the PZU Management Board and Supervisory Board about important ESG issues are presentations and information materials accompanying internal acts issued at PZU. In 2025, aside from the updated Sustainability Policy, internal acts have been issued to review the double materiality assessment, bringing it up to date with the carbon footprint disclosure guidelines, sustainability data reporting procedures, and the list of disclosure obligations under the EU Taxonomy, among others. Issues that the Management Board dealt with in 2025 also included implementing the "Women on Boards" Directive, updating the PZU Group's human resource management policy and risk management policy, and having PZU Group join the Lewiatan Confederation, which is the largest Polish business organization aimed at supporting the development of entrepreneurship, innovation and education in Poland. In addition, the Sustainable Development Department organizes ESG training and workshops for management boards. Among other things, a training session was held for members of the Management and Supervisory Boards at PZU and PZU Życie on 2025 regulations and trends in sustainability and climate transition. The Sustainable Development Department also conducted a workshop for members of management and supervisory boards of foreign companies on, among others, the implementation of ESG regulations, sustainability issues in the PZU Group Strategy, and the PZU Group Sustainability Policy.

Consideration of the impacts, risks and opportunities in overseeing strategy

The Management Board and Supervisory Board at PZU, including the Strategy Committee and Audit Committee, which operate there review cyclical reports on, among others, strategy implementation levels, financial performance, or identified risks in the PZU Group. All key indicators are continuously monitored by the relevant substantive departments which produce monthly, quarterly, semi-annual and annual reports, as well as on an *ad hoc* basis when needs are identified. These reports also include key indicators from a sustainability perspective. In addition, as part of the activities carried out by the Internal Audit Department at PZU, audits and inspections of various business areas and processes are conducted, including, among others, on sustainability disclosure processes.

To ensure the effectiveness of the measures implemented, the PZU Group has the following monitoring mechanisms in place:

- a system of indicators: Key Performance Indicators (KPIs) enable real-time tracking of strategic progress;
- regular performance verification processes: internal and external audits evaluate the effectiveness of control systems and risk management processes within the Group;
- integration with operational processes: sustainability is integrated into operations to ensure the effectiveness of strategy implementation as regards ESG factors;
- supervisory and management bodies of the PZU Group oversee key impacts, risks, and opportunities, ensuring effective governance, regular reporting, and monitoring mechanisms.

List of material impacts, risks, and opportunities taken into account

During the 2025 reporting period, the Management Board and Supervisory Board at PZU were systematically informed about sustainability issues, including significant ESG impacts, risks and opportunities, through reporting processes and strategic reviews. The key tool was the double materiality assessment review, which provided the Management Board with a list of significant impacts, risks and opportunities. The assessment was conducted in accordance with CSRD standards and covered both the PZU Group's impact on the environment and the environment's impact on the PZU Group.

[GOV-3] Integration of sustainability-related performance in incentive schemes

Incentive systems and compensation policy in the context of sustainable development

Description of the incentive system

Remuneration of members sitting in management boards in the PZU Group consists of a fixed part and a variable part, which depends on the achievement of management targets, including those related to sustainability. Since 2023, one of the remuneration principles has been to ensure that the requirements of sustainable development are properly taken into account in the risk management process at the PZU Group level. Accordingly, the targets set to obtain variable compensation, are linked with sustainability efforts. Fixed remuneration is within the range defined by resolutions of general meetings, while variable remuneration may not exceed 50% to 100% of the previous year's fixed remuneration, depending on the size of the entity. At entities where this is required by generally applicable law, 40% of this value is subject to deferral and is paid in three annual installments, provided the assumed criteria are met.
The entities have implemented a standardized process for setting and evaluating targets in accordance with the Principles for setting and evaluating the performance of management targets assigned to members of management boards of PZU Group subsidiaries. The remuneration of members of the supervisory boards of PZU Group entities is fixed.

ESG targets as part of the Management Board's performance evaluation and the monitoring of their implementation

The PZU Management Board and the management boards of PZU Group entities pursue management targets, among which are those related to sustainability. In 2025, in terms of ESG, the Management Boards of PZU and PZU Życie and the management boards of selected entities (given the scale of the entities' operations) were tasked with:

- developing and implementing policies reflecting the Directive on improving the gender balance among directors of listed companies and related measures in the PZU Group (PZU, PZU Życie);
- reducing the gender pay gap to no more than 5% (PZU, PZU Życie, selected PZU Group entities);
- ensuring employee engagement as measured by positive perception in the engagement survey (PZU, PZU Życie);
- improving NPS/customer satisfaction/recommendation rates (PZU, PZU Życie, selected PZU Group entities).

Mechanism for monitoring compensation and achieving the ESG targets

In the PZU Group, remuneration policies are overseen by supervisory boards and shareholder meetings. The Shareholder Meeting authorizes the Supervisory Board to define detailed management targets, their weighting in Key Performance Indicators (KPIs), and their direct impact on variable compensation. Supervisory Boards monitor and evaluate the achievement of management targets. Each year, the results of this evaluation determine the variable compensation of the members of the management boards. Targets of management board members may include sustainability issues. Then, these goals have measurable parameters by which their achievement can be judged, as defined in the catalog of management targets set by the supervisory boards for the year. At PZU Group entities, the mechanisms for monitoring remuneration and performance are in line with the scale of their operations, industry and regulatory requirements.

The PZU Management Board has adopted the report of the Management Board of PZU SA on the implementation of the Management Targets for 2024 and the report of the Management Board of PZU SA on the implementation of the Management Targets conditioning the possibility of receiving variable compensation by the Manager for 2024. These documents were submitted to the Supervisory Board and included information on the implementation of ESG targets at PZU and PZU Group entities, among others.

The PZU Supervisory Board obtains all relevant information on the activities of entities on the basis of the Commercial Companies Code, their articles of association and internal regulations.

ESG indicators and climate issues in executive compensation

ESG-related performance indicators are taken into account when determining variable compensation. Implementation of ESG indicators is part of the annual evaluation of managers. It translates directly into the variable compensation for 2025.

The link between climate issues and executive compensation follows the same principles as incentive

systems and remuneration policies in the context of sustainability.

In 2025, members of the PZU Management Board and of the management boards of PZU Group entities were not assigned climate-related targets, so the share of remuneration recognized and related to climate-related issues was 0%.

[GOV-4] Statement on due diligence

Due diligence statement

The following table provides a summary of information contained in the Sustainability Statement on the due diligence process

Key elements of the due diligence process	Key points in the Sustainability Statement
Integration of due diligence into management, strategy, and business model	ESG management in the PZU Group (section 8.1.3), double materiality assessment (section 8.1.4), Material impacts, risks and opportunities (section 8.1.4), Taxonomy – minimum safeguards (section 8.2.5)
Engagement with stakeholders	ESG management in the PZU Group (section 8.1.3), Interests and views of stakeholders (section 8.1.2), Procedures for preparing the double materiality assessment (section 8.1.4) Descriptions of individual policies within thematic sections (sections 8.2, 8.3, 8.4, 8.5, 8.6, 8.7)
Identification and assessment of negative impacts on people and the environment	Procedures for preparing the double materiality assessment (section 8.1.4), Material impacts, risks and opportunities (section 8.1.4)
Actions to prevent negative impacts on people and the environment	Descriptions of actions (sections 8.2, 8.3, 8.4, 8.5, 8.6, 8.7)
Monitoring the effectiveness of these efforts	Descriptions of indicators and targets (sections 8.2, 8.3, 8.4, 8.5, 8.6, 8.7)

[GOV-5] Risk management and internal controls over sustainability reporting strategy

Risk management and internal controls for sustainability reporting

PZU Group implemented internal standards for risk management and internal control in sustainability reporting. The established processes and systems aim to identify risks, implement effective risk mitigation strategies, and continuously monitor performance to ensure full compliance with regulations and stakeholder expectations.

Reporting processes and integration of control mechanisms

The Office of Sustainability in PZU is responsible for coordinating PZU Group's sustainability data reporting process. It is the owner of the procedure who defines the rules for preparing and provision of data, as well as defining the participants in this process and their responsibilities.

Sustainability reporting is subject to ongoing controls, internal audits and external controls (assurance) to ensure compliance with applicable laws and regulations and the PZU Group's internal Sustainability Reporting Control Principles. This document aims to reduce the risk of reporting incorrect data and making errors. If a process or substantive irregularity is detected, information in this regard is forwarded immediately for correction. If correction is not possible, measures are taken to reduce the associated risks. The same document applies at the PZU Planning and Controlling Department for controlling the process of preparing the Sustainability Statement. At the same time, it obliges the Sustainable Development Department at PZU to check the completeness of the results of the double materiality assessment, documentation related to preparations for data acquisition, data sources, and the factual correctness of the data received.

Internal audit of the sustainability reporting process is also part of the controls, the results of which are presented to the PZU Management Board. The frequency with which the internal audit is carried out is based on the risk assessment of the implemented process, in accordance with the methodology adopted by the Internal Audit Department at PZU.

Major risks in the ESG reporting process and ways to mitigate them and integrate the results into processes

In terms of sustainability reporting, risks are identified and analyzed in terms of cause, effect and risk level (increased, moderate, low). Data quality risk was considered increased; it occurs when incomplete or inappropriate data are submitted and systems are not aligned with process requirements. This situation leads to a reduction in the quality of the report and increases the risk of errors. Compliance risk with respect to external regulations was identified as a moderate risk. It involves non-compliance with current regulations, outdated data, or lack of awareness of changes in the law. Such situations can lead to serious consequences, such as financial penalties, loss of reputation or operational disruption. The risk of improperly implemented processes was also considered a moderate risk. It may manifest itself in an outdated or incomplete description of the process. As a result, the data collection process may be longer, access to information may be limited, and the risk of errors may increase. Another moderate risk is reputational risk, which can

materialize when a report is not prepared in accordance with legal requirements or contains incorrect information. Negative perception by stakeholders, loss of customers or a drop in the share value are real consequences of this risk. The last moderate risk is human resources risk. Long-term absence of key employees, vacancies or competency mismatches can lead to ineffective management, decision-making problems, and lack of substitutability.

For each risk, a so-called risk appetite has been defined together with actions to mitigate it, including completeness checks, monitoring of regulatory changes, and verification of the organizational structure and assigned responsibilities. The process of collecting, monitoring and disclosing sustainability information has been designed and specified in internal regulations to mitigate the identified risks. Prevention and detection inspections are being carried out to mitigate these risks. In 2025, the sustainability reporting process was subject to an internal audit, which confirmed the list of risks.

As a result of an internal audit recommendation, additional controls have been implemented in the sustainability reporting process to ensure compliance in the area of aggregating source data.

[SBM-3] Material impact, risks and opportunities and their interaction with strategy and business model

8.1.4. Double Materiality Assessment (DMA)

Material impacts, risks and opportunities

In 2025, the PZU Group conducted a review of the double materiality assessment process detailed in the 2024 report. The review analyzed changes in the business and regulatory environment and reassessed major impacts, risks and opportunities.

On its basis, it was confirmed that the relevant topics identified in 2024 and the assumptions of the assessment methodology remain valid. In 2025, the scope of impacts, risks and opportunities was clarified. The list of relevant topics is consistent with that published in the previous reporting period.

For the purpose of the assessment, PZU Group defined its value chain, with a detailed description included in the section PZU Group Business Model and Value Chain.

The assessment was carried out considering three time horizons: short-term (up to 1 year), medium-term (1-5 years) and long-term (more than 5 years).

Impacts, risks and opportunities were analyzed in the context of operations, investments and business relationships across the value chain.

Significant impacts, risks and opportunities of the Pekao Group and the Alior Bank Group

As required by the Accounting Act, the Pekao Group and the Alior Bank Group have prepared their own sustainability statements. In 2025, both groups updated their double materiality assessments.

Due to differences in methodology and the scale of operations, the identified material impacts, risks, and opportunities differ between these entities. To ensure consistency and to give a complete picture, the PZU Group analyzed the DMA results of both banking groups. It included those impacts, risks and opportunities that were considered significant in both groups in its assessment by aggregating and mapping them to the respective components of the PZU Group's value chain, i.e., business banking and retail banking, as well as by recognizing them within its own operations. For details on relevant topics of the banking groups, see:

- Pekao Group Sustainability Statement;
- Alior Bank Group Sustainability Statement.

Significant impacts, risks and opportunities of Armatura Kraków

Due to the different nature of the business, the PZU Group's double materiality assessment includes an additional analysis of the impacts, risks and opportunities for Armatura Krakow.

The analysis identified a potentially significant negative impact in topic E2 – pollution in the supply chain. This is due to the large share of aluminum radiator production and imports of bathroom fittings. 100% of the aluminum purchased for radiator production comes from recycled aluminum casting alloys in the form of EN-AB 46000 (46100) ingots made from 100% recycled aluminum. At the same time, Armatura Krakow takes mitigation measures aimed at reducing the intensity of the potential impact, focusing on the circular use of aluminum in its operations: it engages in full recovery of materials, multiple remelting without loss of quality, and optimization of the production cycle, which reduces the consumption of primary raw materials and energy, and reduces the volume of waste transferred for processing. Since 2022, shortages in radiator production have dropped from 0.77% to 0.41%, which shows an improvement in the material and energy efficiency of the process and an indirect reduction of environmental pressures associated with supplying aluminum and components of fittings as well as polluting the air.

Identified relevant topics

Impacts, risks and opportunities were assigned both to ESRS topics, as well as to additional topics that the PZU Group considered important.

The environmental topic of climate change is particularly relevant in the context of property insurance, life and health insurance, own investments and business banking. PZU Group identifies significant negative impacts and risks resulting from the activities of business clients in this area. In addition, potential opportunities from investment activities that can support the climate transition have been defined in 2025.

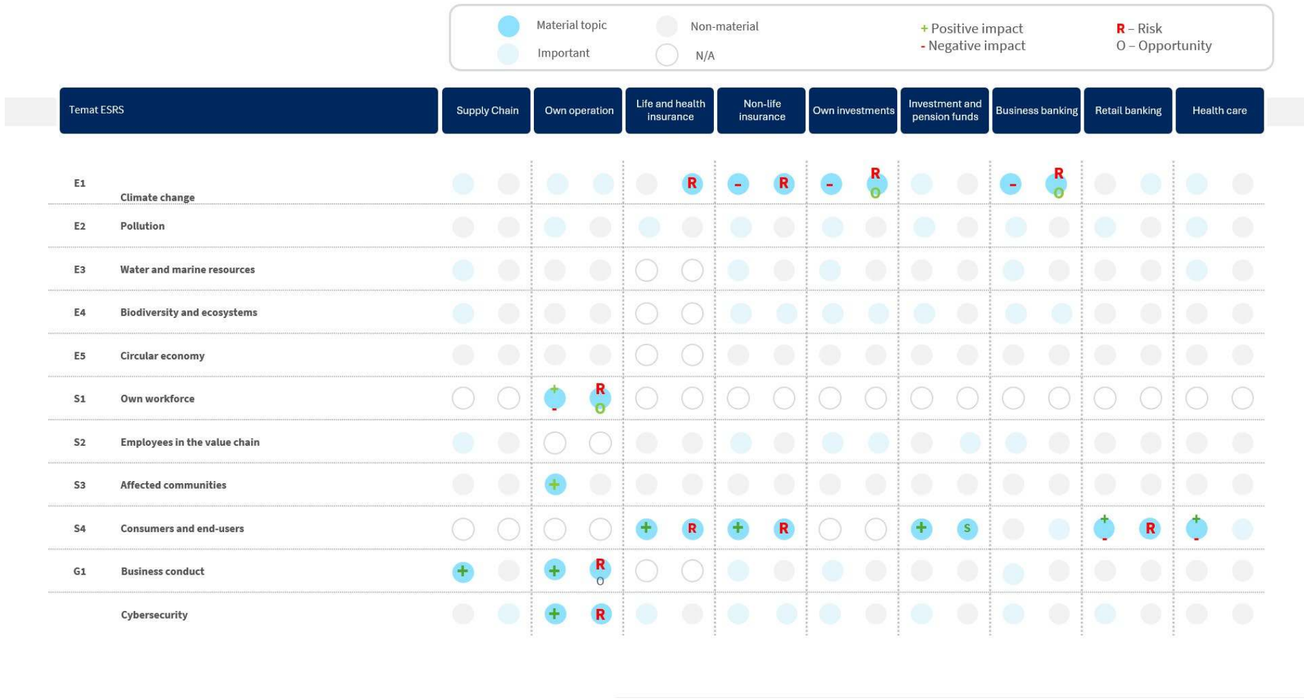
The topic of workforce is relevant to own operations. In 2025, based on the review of the double materiality assessment, a potentially negative impact regarding working conditions was further clarified, particularly with respect to overtime for selected groups of positions, as well as a potentially negative impact resulting from emerging tensions in the area of employee communication and participation. Consumers and end-users are an important topic for components of the value chain: health and life insurance, property insurance, investment and pension funds, retail banking and health care. In 2025, we identified a potential negative impact resulting from insufficient information about products and services which could be potentially misleading for customers in making financial decisions.

An opportunity was identified for investment and pension funds resulting from financial education and increased customer awareness on investments, which could lead to greater confidence in funds and an increase in the number of investors. Safe investment products are an opportunity to build stability and loyalty for customers who are looking for capital protection while enjoying moderate growth, which is particularly important in times of economic uncertainty. Consequently, no risks were revealed for this component of the value chain.

The scope of impacts, risks and opportunities in the other relevant topics (affected communities, conduct in business) remained unchanged with respect to the previous year. Similarly, by 2024, the PZU Group has identified cybersecurity as a significant topic in terms of its impact on and risk in the PZU Group's operations.

Material impacts, risks and opportunities of PZU Group (aggregated at the subject level)

The identified significant impacts include both actual and potential impacts over three time horizons: short-term, medium-term and long-term. Actual impacts during the reporting period or those which are ongoing relate to the current operating, investment and business activities of PZU Group entities and CO_2e emissions related to customer activities. Potential impacts are those that may occur with a certain probability in the short term (up to 1 year), medium term (1-5 years) or long term (more than 5 years), according to the definitions adopted in the Time horizons section. In assessing materiality, the PZU Group has shown which impacts are actual and which are material as potential. The identified impacts, risks and opportunities were considered material in all three horizons.



	Material PZU Group impact			
ESRS	**Subtopic**	**Value chain element**	**Type of impact**	**Description**
E1	Climate change adaptation Climate change mitigation	Non-life insurance	Actual and potential negative impact	Negative effects related to climate change in the non-life insurance portfolio result from insuring clients operating in high greenhouse gas emission sectors. An additional potential negative impact of climate change is the risk of insurance protection not being adapted to new natural catastrophe realities.
		Own investments	Actual and potential negative impact	PZU Group's investment portfolio consists of many assets that may impact the climate. In addition to entities directly linked to renewable energy assets (so-called "green" assets), the Group's portfolio also includes holdings in high-emission industries.
		Business Banking	Actual and potential negative impact	Financing companies in high-emission sectors may contribute to increased greenhouse gas emissions. At the same time, business clients may face financing restrictions due to the need to align their operations with climate requirements.
S1	Working conditions	Own operations	Actual positive impact	The PZU Group ensures stable and safe working conditions. Flexible hours and a hybrid work model can positively affect work efficiency and give employees a better opportunity to adjust their working arrangements to their needs, within the framework of existing rules. Growth opportunities and internal promotions, combined with a predictable career path, can foster greater job security and long-term employment. Training programs including various forms of education: e-learning, internal training, external training. Funding for postgraduate degree programs. These activities contribute to the development of employees. Improvement of the quality of work by ensuring appropriate OSH rules and policies, implementing well-being programs, such as the #DobryStan strategy which promotes the mental and physical well-being of employees. Trade union representation and effective channels of communication between employees and management – regular employee satisfaction surveys conducted, which make it possible to identify and address their needs and areas for improvement.
			Potential negative impact	Overtime for selected groups of positions, e.g., in the event of mass claims. Tensions in the area of employee communication and participation can affect perceptions of the importance of social dialog and cause dissatisfaction on the part of society with the failure to address demands.
	Equal treatment and opportunity for all	Own operations	Actual positive impact	Anti-mobbing procedures for employees with whistleblowing mechanisms implemented in accordance with good market practices.
			Potential negative impact	The share of women in the management and supervisory bodies of the largest PZU Group entities (PZU, Bank Pekao, Alior Bank) is approximately 17%, which remains below the level set out in EU regulations and may potentially have a negative impact on equal opportunities.
	Other work related rights	Own operations	Actual positive impact	The PZU Group's data privacy policy and related data protection procedures provide systemic safeguards for employee and customer information, which directly protects their right to privacy and confidentiality in the workplace.
S3	Economic, social and cultural rights of communities	Own operations	Actual positive impact	Investments to improve safety and quality of life, social inclusion efforts and promotion of local cultural initiatives strengthen local communities. Nationwide social initiatives such as sports or cultural patronage positively affect the society of countries in which the PZU Group operates.

	Material PZU Group impact			
ESRS	**Subtopic**	**Value chain element**	**Type of impact**	**Description**
S4	Impact of information on consumers or end users	Life and health insurance	Actual positive impact	Implemented solutions to make services more accessible, such as tailored service procedures, simplified visual communication, plain language materials, and development of digital channels. Education on health and life insurance. Impact on the protection of customer rights by the Client Ombudsman.
		Investments and Pension Funds	Actual positive impact	PZU's investment and pension funds offer information to help identify investments that support sustainable development goals, empowering clients to make financial decisions aligned with sustainable development principles.
		Retail Banking	Actual positive impact	Increasing social inclusion in financial services by offering banking products that are accessible to different customer groups, including young people, seniors, and those with lower incomes, and ensuring product accessibility by translating key documents into Ukrainian.
		Retail Banking	Potential negative impact	Potential customer misrepresentation through insufficient information about products and services, and damage caused by data theft and protection incidents.
		Healthcare	Potential negative impact	Potential insufficient transparency of product information with respect to, among other things, the scope of services, the price of their availability.
S4	Personal safety of consumers Social integration of consumers	Life and health insurance	Actual positive impact	The inclusion of mental health aspects in protection and health insurance and the extended coverage includes both physical and mental health of clients, with psychological support during post-illness rehabilitation.
		Non-life insurance	Actual positive impact	Providing communication channels, including complaint mechanisms, builds trust, solves problems, obtains feedback and strengthens the relationship with customers. High availability of PZU branches adapted to people with limited mobility (more than 70% of branches). Communication and customer service procedures tailored to the needs of seniors. Rapid response procedures in case of mass claims.
		Healthcare	Actual positive impact	Impact on the protection of customer rights by the Patients Ombudsman. Medical services in a wide price range, equalizing access to private healthcare, particularly in smaller towns, thanks to the high availability of clinics and outpatient facilities outside major urban areas.
G1	Corporate culture	Own operations	Actual positive impact	The PZU Group shapes ethical standards in the financial sector; it influences the behavior of employees and partners. The PZU Group is a signatory to the Principles of the UN Global Compact.
	Whistleblowing	Own operations	Actual positive impact	The PZU Group's whistleblowing and whistleblower protection systems include specific procedures, communication channels and training to raise awareness of employees and foster an ethical culture.
	Corruption and bribery	Own operations	Actual positive impact	Anti-corruption policies and programs increase transparency and reduce the risk of corruption in the PZU Group's own operations. Corruption and bribery are prevented by training employees in anti-fraud procedures and ethical conduct.
	Relations with suppliers	Own operations / supply chain	Actual positive impact	Implementing ESG standards, ethical principles and practices that support sustainability in purchasing processes and supplier relationships translates into building awareness and can translate into an increase in the importance of ESG aspects.
	Cybersecurity	Own operations	Actual positive impact	The use of advanced security technologies protects client data and ensures operational stability.

	Identified significant opportunities and risks of PZU Group			
ESRS	**Subtopic**	**Value chain element**	**Risk / Opportunity**	**Description**
E1	Climate change mitigation Climate change adaptation	Life and health insurance	Risk	Physical risks associated with increased mortality due to extreme weather events and higher temperatures.
		Non-life insurance	Risk	Transition risks associated with the discrepancy between the pace of the transformation of the Polish economy and changes in the reinsurance market. Physical risks associated with more frequent extreme weather events and fires.
		Own investments	Risk	Transition risks associated with investments in high-emission sectors that increase regulatory risk in respect of climate change. The need to adjust the portfolio to climate risks may limit potential ROIs.
			Opportunity	The opportunity is increased interest in ESG investment funds and the financing of green projects – PZU as an investor in RES, low-emission infrastructure and adaptive technologies.
		Business Banking	Risk	Providing financing to high emitters can be seen as inconsistent with climate goals and stakeholder expectations. The result can be a loss of reputation, pressure from investors and social organizations, and limited ability to raise capital. Failure to adapt lending policies to the transition risks affecting customers operating in high-emission industries could reduce the Group's profitability and competitiveness.
			Opportunity	The opportunity lies in the development of financial products on offer that support the reduction of GHG emissions and accelerate customers' transition to a low-emissions economy. Development of product offerings that support the energy transition or are designed for net zero/low-emission sectors, development of advisory and prevention services, consulting for corporate clients on climate and ESG risk management.
S1	Working conditions	Own operations	Risk	The risk of experiencing a shortage of skilled workforce, particularly in areas requiring specialized skills, and of exceeding the salary budget – resulting from market pressures and the need to hire highly paid specialists. Risk in the area of working conditions – possible undesirable behavior, such as workplace bullying or actions that violate the dignity of employees. Situations of this type can affect the sense of job security, so they require constant monitoring and strengthening of preventive measures. Risk of strikes and protests.
			Opportunity	Social dialog and collective rights to improve working conditions and prevent unequal treatment.
	Equal treatment and opportunity for all	Own operations	Risk	Risks related to the size and high diversification of the PZU Group. The organization employs representatives across four generations, and this means more diverse employee needs and the need for tailored management methods.
			Opportunity	Joining the Charter of Diversity, participating in diversity audits and rankings provides an opportunity to implement concrete measures to support inclusiveness and improve the work environment. Internal recruitment system to develop skills and retain talent in the organization.
S4	Impact of information on consumers or end users	Life and health insurance Non-life insurance	Risk	Lack of sufficient transparency of information may lead to misunderstandings and decreased client trust.
		Retail Banking	Risk	Legal risks as a result of violations of law or rules for drawing up contracts with customers, which may result in claims, sanctions or legal costs. Misselling can result in customer complaints, supervisory proceedings, lawsuits and the need to pay compensation, which generates legal and financial costs. Elevated risk of fines imposed by UOKiK as a result of Bank Pekao S.A.'s practices, including those related to free credit sanctions and unauthorized transactions. Due to growing customer activity, as well as consumer protection afforded by the regulator, which is launching more proceedings against the Bank, we have identified that the risk may materialize in 2025.
		Investments and Pension Funds	Opportunity	Financial education is an opportunity to increase customer awareness on investments, which could lead to greater confidence in funds and an increase in the number of investors. Safe investment products are an opportunity to build stability and loyalty for customers who are looking for capital protection while enjoying moderate growth, which is particularly important in times of economic uncertainty.

	Identified significant opportunities and risks of PZU Group			
ESRS	**Subtopic**	**Value chain element**	**Risk / Opportunity**	**Description**
G1	Corporate Culture	Own operations	Opportunity	Building a competitive edge through a culture of accountability: increased employee and customer loyalty, with improved ESG ratings and access to capital.
	Reporting irregularities	Own operations	Risk	Potentially insufficient whistleblowing mechanisms may limit the organization’s effectiveness in preventing misconduct and managing operational risk.
	Cybersecurity	Own operations	Risk	Disclosure of customer information and other sensitive information. Cyber threats may impact customer data security and the operational stability of the Group.

Resilience of PZU Group's strategy and business model

As part of its operations and risk management, PZU Group systematically analyzes the effects of material impacts, risks, and opportunities on its business model, value chain, and decision-making processes. ESG risk management is an integral part of the overall risk management process, with specific ESG risks classified into the main risk categories. Social and corporate governance issues are primarily considered in the context of operational and compliance risk, while environmental issues are also analyzed in terms of business, credit, market, and actuarial risk.

The operational and compliance risk management framework in PZU is based on adopted regulations and control mechanisms, covering various organizational levels. ESG risks are incorporated into investment decision-making processes and corporate client risk assessments, allowing for the appropriate pricing of insurance premiums. For the banking component of the value chain, these risks are detailed in the sustainability statements of the Pekao Group and the Alior Group.

PZU Group conducts regular stress tests and sensitivity analyses, both for the purposes of the annual Own Risk and Solvency Assessment (ORSA) process and for extreme condition tests in line with supervisory authority requirements. As part of the ORSA assessment, sensitivity analyses include stress scenarios affecting both assets and liabilities. The stress tests selected for this evaluation cover the most critical business areas and risk profile of Group. They address the most significant risks, particularly the short-term impact of extreme weather events (catastrophic losses) and the increase in claims severity on PZU Group's capital position. Insurance entities and banking groups were included in the sensitivity analyses. Stress tests at the PZU Group level, in turn, are performed by domestic entities.

In 2025, as part of its Own Risk and Solvency Assessment (ORSA) process, PZU Group conducted analyses confirming that the Group's own funds remained at a level sufficient to cover the capital requirement throughout the three-year projection period. This applied to both the baseline scenario and stress scenarios. PZU Group confirmed that the implementation of its business strategy was not at risk from a security parameter perspective. PZU Group confirmed that the results did not indicate a need for significant changes to capital management policies, including those outlined in the "Capital and Dividend Policy", planned business activities, or the "Principles for Developing and Creating Products".

PZU Group's insurance operations were secured through reinsurance protection, which mitigated the effects of catastrophic events that could negatively impact the financial condition of its insurance companies. This was achieved through obligatory reinsurance agreements, supplemented by facultative reinsurance arrangements.

PZU Group mitigates the risk of a deterioration in financial performance associated with the realization of natural risks, such as storms, floods, droughts and fires, which are linked to climate change, among other factors. To this end, the Group conducted regular analyses of its non-life insurance portfolio's exposure to natural disasters. The PZU Group divided its portfolio into zones with specific risk levels for floods and hurricanes. Each zone was assigned potential loss values, corresponding to the intensity of the event and its probability of occurrence. As part of the annual process of designing the reinsurance protection program, the PZU Group estimated the distribution of possible catastrophic loss magnitudes.

As part of the concluded reinsurance agreements, the PZU Group has reduced the risk associated with catastrophic losses. This was achieved through a catastrophic non-proportional excess of loss agreement and a non-proportional excess of loss agreement for crop insurance. The PZU Group also mitigated the risk of large individual losses through non-proportional reinsurance agreements, which provided protection for property, technical, marine, aviation, agricultural and third-party liability insurance portfolios, including motor insurance.

Additionally, to further mitigate risk, PZU Group applied both proportional and non-proportional reinsurance for its financial insurance portfolio, covering products such as guarantees and trade credit insurance. The Group also used proportional reinsurance for cyber risk coverage. PZU Group's reinsurance partners held high credit ratings from S&P, ensuring their strong financial stability and providing security for the PZU Group.

In its investment activities, PZU Group adheres to internal procedures that implement the prudent investor principle. PZU Group invests only in assets and financial instruments whose risk can be measured, monitored, and managed, ensuring their alignment with solvency needs assessments. The PZU Group invests funds, and in particular assets covering the solvency capital requirement and assets covering the minimum capital requirement, in such a way as to achieve the highest possible degree of safety, quality and profitability, while maintaining the liquidity of funds.

Assets covering the technical provisions for solvency purposes are invested taking into account the nature and duration of liabilities under existing insurance contracts. These assets are invested in a manner consistent with the interests of policyholders, insureds and beneficiaries.

In 2025, there was no materialization of risks that could materially adversely affect PZU's operations. In 2025, climate events did not significantly affect PZU's financial and capital position. At the same time, the climate risk analysis shows that the financial and capital situation of the PZU Group is not at risk in the future for the analyzed climate scenarios: the greenhouse effect scenario and the unorganized scenario.

The PZU Group does not currently observe any significant financial impact of the identified risks in ESG that could directly affect financial results. At the same time, strategic and operational measures are being taken in the PZU Group to effectively manage the identified impacts, opportunities and risks. Detailed information in this regard is presented in the topical sections of the Statement.

Justification for not considering ESRS topics as important

ESRS E2 – Pollution

The PZU Group's core business is offering insurance and financial products. The PZU Group's direct business has limited impact on emissions of air pollutants or water discharge. Their scale is significantly lower than in the manufacturing or industrial sectors.

The PZU Group does not generate significant pollution. Negative impacts were assessed as non-material in scale, scope and irremediability. The environmental impact is mainly limited to the standard use of office space. The impact on potential pollution in the value chain was assessed analogously to the sectoral analysis of climate change, where, due to the regional nature of the impact of pollution, the level of pollution in the countries of the Group's operations was included as a variable. No material pollution-related impacts have been identified at this time.

Regulatory, operational or reputational risks associated with direct pollution are negligible and are not expected to have a material impact on the PZU Group's financial position.

ESRS E3 – Water and Marine Resources

The PZU Group's operations are not water-intensive and do not affect marine resources. Own operations are characterized by a standard low water consumption, typical of the service sector.

The PZU Group has no significant impact on the quality or availability of water resources. The PZU Group does not conduct activities involving extreme water stress, and the nature of its operations excludes impacts on marine ecosystems.

Risks related to water scarcity or changes in water regulations do not represent material risks that could affect the PZU Group's operations.

ESRS E4 – Biodiversity and ecosystems

The PZU Group's operations do not directly affect protected areas, endangered species, or lead to ecosystem degradation. The PZU Group's infrastructure is located in urban areas.

Biodiversity loss impacts were assessed as non-material, as there is no direct operational dependence on specific ecosystems, and the environmental footprint is limited.

No significant biodiversity risks or opportunities have been identified that could have a material impact on the value of the PZU Group.

ESRS E5 – Resource use and circular economy

Resource use focuses on office supplies, IT equipment and energy. Measures have been implemented to minimize and recycle waste, and ensure an efficient use of resources, which makes this impact non-material under the standard.

The impact on the circular economy is limited, and the scale of virgin resource consumption is low compared to manufacturing industries. The negative impact was considered non-material.

Possible fluctuations in the price of secondary raw materials or the cost of waste disposal do not have a material financial impact on the PZU Group's operations.

ESRS S2 – Workers in the value chain

The assessment shows that risks related to working conditions, human rights, forced labor or child labor in the supply chain are limited. The implemented Code of Conduct and ESG Best Practices for PZU Group's Suppliers and ESG clauses in contracts with suppliers further minimize this risk.

PZU Group suppliers operate primarily in EU countries with high legal standards. No actual or potential negative impacts on workers in the value chain were identified that reached the threshold of materiality. Information on tied agents is reported under S1 – Own workforce.

[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

Procedures for preparing the double materiality assessment

PZU Group's double materiality assessment process consists of 4 stages and was prepared based on the guidelines of the European Financial Reporting Advisory Group (EFRAG):

- **methodology adjustment:** PZU Group defined the scope of the double materiality assessment, adapted ESRS requirements, identified the value chain, established a stakeholder engagement strategy, and set the time horizon for the assessment;
- **pre-assessment:** evaluation of value chain segments for each topic or subtopic in terms of impact materiality and financial materiality;
- **stakeholder validation:** verification of assessments by internal and external stakeholders;
- **final validation** and preparation of the final assessments.

Methodology adjustment

The first step in the PZU Group's DMA process is defining the scope of the assessment and the PZU Group entities subject to it. The goal is to ensure stability, consistency and comparability of results over the long term.

Thematic scope of the assessment

The PZU Group conducts the assessment based on the general list of topics from ESRS 1 AR 16. Most analyses are carried out at the sub-topic level, with the exception of:

- Topic S1, “Own workforce”, assessed at the sub-sub-topic level;
- Topics E4 “Biodiversity” and E5 “Circular economy” assessed at the topic level due to data availability and market practices.

The sub-topic level is considered the most appropriate because most disclosure requirements relate to this level, and the data needed for analysis is more readily available.

Additional topics

The PZU Group has identified the need to cover additional topics that are not included in the ESRS. To do this, the ESRS list was compared with existing reporting topics, reports from other companies in the industry were analyzed, and industry standards were referenced.

As a result, one major additional topic was added: cybersecurity. This is a key area for the PZU Group, related to protecting customer data and ensuring service availability.

Definition of the PZU Group value chain

The PZU Group has identified seven key areas in terms of the distribution of revenues and assets. These areas are components of the downstream value chain. In line with the ESRS, they were combined with the PZU Group’s own operations and supply chain, creating a full PZU Group value chain.

For a detailed description, see PZU Group Business Model and Value Chain.

Additional aspects of the methodology

The PZU Group has determined which topics are applicable in each area. Exceptions have been made for the following topics:

- E3 “Water and Marine Resources” – not applicable to life and health insurance and retail banking;
- E4 “Biodiversity” – not applicable to life and health insurance;
- E5 “Circular Economy” – not applicable to life and health insurance (due to the low intensity of waste generation in the financial sector);
- S1 “Own Workforce” – applicable to own operations only;
- S2 “Workers in the value chain” – applicable to the entire value chain except for own operations;
- S4 “Consumers and end users” – not applicable to own investments, own operations and suppliers;
- G1 “Governance” – not applicable to life and health insurance (due to its focus on individual customers).

Data sources and pre-assessment approach

The PZU Group uses a hierarchical approach to pre-assessment, considering four perspectives:

- objective Group perspective – internal analyses supported by external data sources, e.g., databases;
- comparative perspective;
- industry perspective;
- subjective entity perspective – qualitative expert assessment.

Priority was given to quantitative information. In the absence of quantitative data, expert judgment based on qualitative scales was used.

Approach to environmental topics

The assessment of the materiality of environmental topics is based on internal analyses (e.g., the structure of the corporate insurance portfolio) and external indicators (e.g., ENCORE). PZU Group’s scenario analyses and expert qualitative assessments were also used. The results were consulted with internal experts and selected external stakeholders.

Scope of analysis for each environmental topic:

- E1 - Climate change: a sectoral assessment based on a portfolio of business clients and own operations;
- E2 - Pollution: a regional analysis taking into account pollution levels in the Group’s countries of operation;
- E3 - Water and marine resources: analysis of resource consumption, availability and quality;
- E4 - Biodiversity and ecosystems: assessment of impacts on ecosystem quality and cover;
- E5 - Circular economy: assessment of impacts of insurance, investment and credit portfolios, and own business.

All analyses were tailored to the specific nature of ESG topics and based on a standardized methodology.

Stakeholder types for the Double Materiality Assessment process

Phase	Stakeholder type	Role	Engagement method	Reasoning
Pre-assessment	Internal stakeholders	Active participation in the pre-assessment	Workshops	Greater influence and proximity to the decision-making process throughout the entire value chain
Stakeholder validation	External stakeholders	Consultations for testing and refining the pre-assessment	Survey	Obtaining an external perspective and adjusting the materiality assessment

Stakeholder engagement

By mapping stakeholders and defining their roles in the double materiality assessment process, it is possible to take into account the actual as well as future impact, risks and opportunities associated with the company's operations.

The PZU Group's stakeholder map includes both internal representatives (e.g., of PZU Group offices and entities) and external representatives. Collaboration with external stakeholders goes beyond getting their feedback on relevant impacts, risks and opportunities, and is described in the final section of the chapter. Incorporating stakeholder engagement in the double materiality assessment process and categories of cooperation.

Representatives of key stakeholder groups are invited to the DMA process. Opinions of external stakeholders are collected through a survey that ensures representation of all identified groups. Feedback from external stakeholders is treated on an equivalent basis, without giving priority to any group.

The PZU Group has identified relevant stakeholders, mapping them to each part of the value chain. The following key stakeholder groups were specified in the process:

- for all components of the value chain: the capital market;
- suppliers: product and service providers, business partners, brokers and agents;
- own operations: employees and local communities;
- life and health insurance: customers, business partners, agents, government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- non-life insurance: customers, business partners, agents, government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- own investments: government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- investments and pensions: clients, government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- business banking: clients, government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- retail banking: customers, business partners, government authorities and entities of the financial market infrastructure, including KNF, UOKiK and WSE, NGOs, and public institutions;
- health care: patients, business partners, NGOs and public institutions.

Stakeholders in the decision-making process for the Double Materiality Assessment

Role	Responsibility
Management Board	Approves the methodology for the double materiality assessment of the PZU Group and the results of the assessment conducted.
Director of the Sustainable Development	Conducts the double materiality assessment of the PZU Group (full assessment or annual review), document the process and develops the final results. Submits to the PZU Management Board and the PZU Supervisory Board the final results of the double materiality assessment and its impact on sustainability reporting.
Internal stakeholders	Participate in the double materiality pre-assessment conducted by the unit responsible for sustainability, provide relevant input and consult on preliminary conclusions. Verify the results of the review of the double materiality assessment.

Organization of stakeholder cooperation in the double materiality assessment process

The PZU Group has used a survey to engage value chain representatives in the double materiality assessment process. Stakeholders were presented with the pre-assessment results and asked to review them. The assessment included impacts, risks and opportunities over the medium term (1-5 years) and an assessment of changes in materiality in the short-term (less than 1 year) and long-term (more than 5 years) horizons.

The purpose of the cooperation was to confirm whether the results of the assessment were accurate, to identify any missing ESRS topics, and to get stakeholder feedback that could be used to further improve the assessment process.

The PZU Group focused on engaging experts and representatives of indirect stakeholders, such as consulting firms and associations. This approach not only allowed multiple customer groups to be covered by a single representative, but also reduced the risk of not taking into account the opinions of important stakeholders, which could occur with direct involvement of individual customers or employees, among others.

Analysis of stakeholder survey results

The PZU Group has analyzed the survey results, assigning stakeholder feedback to components of the value chain per the area of the stakeholders' direct influence. The answers to open-ended questions were qualitatively assessed, taking into account their content, context and relevance to the issue at hand.

The results were then juxtaposed with the pre-assessment to determine whether the stakeholder perspective confirms, increases or decreases the materiality of the topics analyzed.

Determination of impact materiality and financial materiality

The PZU Group assesses impact materiality separately for positive and negative impacts as well as for actual and potential impacts. For negative impacts, it uses three criteria: scale, scope and remediability; for positive impacts, it uses scale and scope. Each criterion is evaluated on a 5-point scale (1 meaning minimal impact, 5 meaning critical impact). In addition, the assessment takes into account the probability of occurrence (likewise on a scale from 1 to 5) as a condition for inclusion in the Statement, so as to show those potential impacts that have a realistic chance of occurring and that have a correspondingly high weight. Based on a combination of severity and probability, the PZU Group classifies impacts within an internally established impact hierarchy.

The PZU Group assesses financial materiality based on a combination of the probability of occurrence and the potential scale of the financial impact. The criteria of "continued use of resources" and "dependence on relationships" used in the PZU Group's methodology remain components of the assessment of the scale of financial impact, i.e., they affect the assessment of the scale of potential impacts on cash flows, revenues, costs, assets, liabilities, cost of capital and access to financing. The PZU Group uses a 5-point rating scale. For probability, 1 means very low, while 5 means very high. For the scale of the financial impact, 1 means minimal, while 5 means critical. In assessing the scale of the impact, the PZU Group takes into account, among other things: the availability and continuity of resources (human resources, technology, infrastructure, operational and systemic risks) and dependence on relationships (investors, customers, external stakeholders, social environment), including reputation and brand. Those risks that exceeded the threshold of materiality and probability were deemed material.

The assessment was carried out considering three time horizons: short-term, medium-term and long-term.

Review of the double materiality assessment

The PZU Group's double materiality assessment is designed to be stable over time. At the same time, it needs to be continuously adapted to new circumstances, especially when new impacts, risks, opportunities or regulatory and business changes occur. A full double materiality assessment is carried out periodically, before starting work on a new PZU Group strategy or in the event of significant changes in the business model.

In the PZU Group, the annual review of the double materiality assessment complements the full DMA analysis and is conducted in a systematic manner. Its purpose is to confirm the validity of the assessment results and identify possible changes in the environment that may affect the materiality of ESG topics. The scope of work includes, among other things, verifying the accuracy of calculations, analyzing market benchmarks, reviewing information about the PZU Group, and incorporating changes in the results of the DMA conducted by Pekao Group and Alior Bank Group.

The DMA review also takes into account factors that may change the materiality of ESG topics in the future. These include extraordinary business events (such as the sale of entities), mergers and acquisitions leading to entry into new markets or sectors, as well as regulatory and social changes.

Decision-making processes and internal control procedures

Representatives of key business areas from different parts of the PZU Group's value chain assess the quality and relevance of the conclusions relating to their business area. The double materiality assessment involved selected internal stakeholders as experts on specific topics or segments of the value chain.

Upon completion of the assessment, prepared with the support of these experts, the results are approved by the relevant management bodies of the PZU Group.

Impact of double materiality assessment on risk management processes

ESG risk management processes are integrated into the broader risk management framework within PZU Group. The level of financial materiality in the materiality assessment process is not equivalent to the level of risk in the PZU Group's risk management system. In order to present the whole picture of the PZU Group's operations, a non-underwriting financial materiality assessment is made.

In addition to the processes for managing individual risk categories, PZU, as the parent company, conducts a cyclical process of identifying and analyzing risks and identifying key risks. Risks identified in the course of this process are subject to assessment in terms of frequency and scale of materialization, taking into account the financial aspect and impact on reputation. Risks related to own human resources are also analyzed. The process allows for the analysis of risks over a medium-term horizon and the identification and assessment of emerging risks. The analysis is updated at least once a year. In that process, all risks, including labor risks, are analyzed in the same way. After collecting information on, among others, the frequency with which these risks materialize, and their financial severity (in terms of amounts and executive actions), the risks are classified per materiality. Currently, labor risks have been assigned a moderate frequency of materialization with a low financial impact on the PZU Group's performance.

Cybersecurity risks are managed as part of the IT security risk management process. These include risks arising from non-compliance with or deviations from the adopted policies, internal and external regulations, procedures, standards and good practices in the field of IT security, which may result in IT system vulnerabilities, breaches of data confidentiality, integrity and availability, and an increased risk of cybersecurity incidents. The process of managing these risks includes identifying, measuring and assessing risks, taking executive actions to mitigate, avoid or accept the risks as an exception, as well as monitoring and reporting. Risks are recorded in the IT Security Risk Register and are reviewed periodically by the Security Department.

Compliance risks and risks concerning consumers and end-users include the compliance risk defined as the risk that the Company or persons acting on its behalf will suffer consequences, in particular legal sanctions, financial losses or loss of reputation, due to the occurrence of non-compliance or regulatory risk. Risk is managed on the basis of internal regulations.

Climate change risks are analyzed as part of scenario analyses, and a detailed description of the outcome of the scenario analyses is provided in Section E1 Climate Change.

8.2. (E) Environment – climate change

[E1-1] Transition plan for climate change mitigation

PZU Group transition plan

The PZU Group is monitoring changes in EU regulations regarding the approach to transition plans for climate change mitigation. As of the date of this Statement, the PZU Group stands by its last year's pledge to develop such a plan over the next 2 years. At the same time, the PZU Group does not rule out adjusting the approach adopted depending on the current business strategy and the final shape of legislative changes.

While the PZU Group does not have a transition plan, there are transition plans in place at the level of the Pekao Group and the Alior Group that are in accordance with the Paris Agreement, respectively:

- Bank Pekao S.A. Group Transition Plan – adopted in the reporting year;
- Alior Bank Group Transition Plan for Reducing Financed Emissions – adopted in early 2026.

Details of the areas covered by these plans, assumptions and targets are described in the bank groups' sustainability statements.

8.2.1. Approach to climate change

[E1.SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

[E1.IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Material impacts, risks and opportunities

In 2024, a climate change impact assessment was conducted in accordance with ESRS requirements, which used the double materiality assessment approach. The assessment covered the PZU Group's entire value chain – own operations, suppliers, and business activities. The key indicator, however, was the level of greenhouse gas emissions, the probability and potential severity of the impact of which was assessed as high in the short, medium and long term. This way, in relation to the respective components of the value chain, the PZU Group analyzed:

- own operations, comparing CO_2e emissions from the financial sector to other industries;
- suppliers, focusing on high-emission sectors;
- business activities, considering greenhouse gas emissions from the credit portfolio, investment activities, and non-life insurance.

As a result of this assessment and its review in the reporting year, the PZU Group has identified actual and potential negative climate impacts, as well as risks and opportunities related to climate change, in each relevant value chain: property insurance, own investments and business banking.

Impacts related to climate change

Non-life insurance

The PZU Group has identified climate impacts associated with insuring entities in high-emission sectors, such as heavy industry and the coal-dependent energy sector. According to the PZU Group, providing insurance to such entities may indirectly affect activities which contribute to climate change. An additional potential impact of climate change is the risk of insurance protection not being adapted to new natural catastrophe realities.

Own investments

Certain types of investments that make up the PZU Group's investment portfolio may have an impact on the climate. In addition to investments in entities that support the energy transition, the PZU Group also invests in entities in industries classified as high-emission industries (heavy industry or coal-dependent energy sector). As a result, some investments may contribute to exacerbating climate change.

Business Banking

Financing the operations of entities emitting significant amounts of greenhouse gases can contribute to hindering the long-term goal of the Paris Agreement. Conversely, potential reduction in exposure to such entities could limit their ability to transition into a low-emission economy and adapt their operations to rising regulatory costs.

Climate change risks

Management of the elements that make up ESG risk is an integral part of the overall risk management process. Individual ESG risks are classified into major risk categories. For environmental issues, it is business, credit, market and actuarial risks. The main risks in the environmental area are transformation risks and physical risks. Transition risks refer to the transition to a low-emission and climate-resilient economy. Physical risks, on the other hand, cover financial losses resulting from the physical effects of climate change and include acute and long-term risks. Stress tests and sensitivity analyses for the insurance value chain component have been presented in detail. For the banking component of the value chain, these risks are detailed in the sustainability statements of the Pekao Group and the Alior Group.

Stress Testing and Sensitivity Analyses

The PZU Group conducts regular stress tests and sensitivity analyses under its annual own risk and solvency assessment (ORSA) and stress tests consistent with the requirements of the regulatory authority. The sensitivity analyses are described in the ORSA report. The results of the stress tests are submitted to the UKNF. As part of the ORSA assessment, sensitivity

analyses include stress scenarios affecting both assets and liabilities. Insurance entities and banking groups were included in the sensitivity analyses. Stress tests at the PZU Group level, in turn, are performed by domestic entities. The stress tests selected for this evaluation cover the most critical business areas and risk profile of the Group. They address the most significant risks, particularly the short-term impact of extreme weather events (catastrophic losses) and the increase in claims severity on PZU Group's capital position. The results of the sensitivity analyses and stress tests for 2025 show that the PZU Group had its own resources necessary to maintain its solvency ratio above its risk appetite.

Process of identifying and analyzing risks; identifying key risks

In addition to the processes for managing individual risk categories, PZU, as the parent company, conducts a cyclical process of identifying and analyzing risks and identifying key risks. All risks identified in the course of this process are evaluated in terms of frequency and scale of materialization (taking into account the financial aspect and impact on reputation). In particular, risks related to climate change are analyzed, both in terms of physical risks and transformation risks. The process allows for analyzing risks over a medium-term horizon. Subsequent analyses identify risks in the remaining horizons. The analysis is updated at least once a year.

The resilience analysis included in the double materiality assessment is based on the process of identifying and analyzing risks, particularly key risks. In the course of this process, as a result of the analyses conducted, the PZU Group identified the climate change risk factors in the insurance sector as shown in the table;

Resilience analysis included in double materiality assessment (for the insurance sector)

	Climate change risk factors	Analyzed elements	Horizon	Risk category
EFFECTS OF THE TRANSITION	Non-life insurance: Difference between the dynamics of Polish economic transition and changes in the reinsurance market, which may result in lower availability of reinsurance offerings for projects in extractive industry and coal-dependent energy sector.	Materialization may lead to the following consequences: Limited sales of insurance for such projects; Increase in reinsurance protection prices; Higher capital requirements for the risk of default by counterparties due to placing of part of the portfolio at lower-rated reinsurers.	Medium-Term / Long-Term Short-Term Medium-Term	Business risk Business risk Credit risk
	(Own) investments: Investments in high-emission sectors that increase regulatory risk in respect of climate change. The need to adjust the portfolio to climate risks may limit potential ROIs. Lower share price and corporate bonds valuation for companies in selected sectors due to higher regulatory burdens.	Revaluation of shares and corporate bonds and downgraded corporate bond ratings by 2 full ratings from selected sectors.	Medium-Term	Market risk/ Credit risk
		Increase in capital requirements due to the revision of standard formula parameters for selected risks.	Medium-Term	Compliance risk
PHYSICAL IMPACTS	Non-life insurance: Increased extreme weather events and fires.	Extreme floods, hurricanes and hail which result in catastrophic risk payments in the short term in accordance with the current reinsurance program; in the long-term horizon, higher reinsurance prices and legitimate portions.	Debts	Actuarial risk
		Forest fires in in suburban areas and croplands which result in catastrophic risk payments in the short term in accordance with the current reinsurance program; in the long-term horizon, higher reinsurance prices and legitimate portions.	Debts	Actuarial risk
	Life and health insurance: Increased mortality due to extreme weather events and higher temperatures.	Higher mortality, in particular in cities, due to extreme weather events and higher temperatures in the cities compared to surrounding areas, which may lead to higher payouts and the need to readjust assumptions or the future by increasing mortality factors in the best-estimate liabilities (BEL).	Debts	Actuarial risk

these factors may affect the PZU Group's business model and financial performance.

The time horizons specified in this section, in the table, are definitionally the same as the time horizons listed in the General Disclosure section.

The scenario analysis presents the impact of identified risks related to sustainable development, and especially the impact related to climate change, on the PZU Group. The response to the identified risks is a change in the direction of a sustainable product offering that does not just correspond to client needs and the identified climate-related challenges but above all that offers an opportunity for business development and building a market edge. The Group undertakes actions aimed at reducing the likelihood of realizing transformation-related risks through investments in a low-emission economy, shaping its offer to counteract climate risks, and supporting the adaptive capacity of the Polish economy. When analyzing the impact of climate on the PZU Group's operations in the context of development, performance, and capital situation, risks were identified taking into account the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) and the European Commission. A scenario analysis concerning climate change was also conducted.

The scenario structure proposed by NGFS (The Network of Central Banks and Supervisors for Greening the Financial System) was used as a starting point for the analysis conducted at the PZU Group. The scenarios are structured according to the degree of achievement of climate goals and the transformation pattern. In addition, two long-term temperature increase scenarios (above and below 2°C) assigned by the EIOPA (European Insurance and Occupational Pensions Authority), to the four global pictures defined by the NGFS, were used.

Climate risk identification as well as exposure and vulnerability assessments were based on high-emission scenarios.

Group examined:
1. the "Greenhouse effect" scenario in which physical risks play the main role, which in a simplified approach involve the assumption of a zero impact exerted by transition risks;
2. the "Unorganized" scenario in which the transition risks play the main role, which in a simplified approach involve the assumption of a zero impact exerted by physical risks.

The following assumptions and risk factors were considered:

(1) the greenhouse effect scenario:

- occurrence of extreme catastrophic events:
  - floods, hurricanes and hail where the value of loss 1 to 200 years is set out in line with the standard formula used to determine the capital solvency requirement;
  - forest fires in suburban areas and croplands – maximum loss on deductible in respect of a single event.

  Short term: Payouts for catastrophic risks according to the current reinsurance program – decrease in own funds.

  Long term: Increase in reinsurance prices and higher retention – increase in SCR (Solvency Capital Requirement) due to the rise in the net best estimate of liabilities (net BEL).

- higher mortality in cities due to extreme weather events and higher temperatures in the cities compared to surrounding areas:

  Short term: Payouts due to higher claims in the first year – decrease in own funds.

  Long term: Increased mortality rates used to determine BEL – decrease in own funds and change in the solvency capital requirement (SCR).

(2) the unorganized scenario:

- increased credit risk due to the reinsurance of part of the portfolio with counterparties of lower ratings;
- depreciation of stocks and corporate bonds from selected sectors;
- regulatory risk related to the readjustment of standard formula parameters used to set the capital solvency requirement.

In the event of the assumed scenarios, the solvency of the PZU Group would not be threatened. In both scenarios, both regulatory requirements and the assumptions of the internal limit grid are met.

Scenario	Sensitivity of PZU Group's solvency ratio	
	2024	2025
"Greenhouse Effect World" scenario	-37 p.p.	-34 p.p.
"Disorderly Transition" scenario"	-8 p.p.	-6 p.p.

Classifying the occurrence of extreme flooding, hurricanes and hail as a physical risk is the most severe factor. This is a long-term risk associated with temperature increases above 2°C.

Annual renewals of contracts, analysis of current data and forecasts coupled with the selection of the appropriate reinsurance program make it possible to reduce considerably the possible impact this risk can exert on the Group.

Among transformation risks, the most severe is the regulatory risk associated with the change of parameters used to calculate the natural catastrophe risk sub-module. In the short-term and medium-term horizon, the probability of realizing the risk associated with the process of transforming the global economy to low-emission (transformation risk) is higher than the probability of realizing the most extreme physical risk associated with climate change.

In business banking, providing financing to high emitters was identified as a risk, as it can be seen as inconsistent with climate goals and stakeholder expectations. The result can be a loss of reputation, pressure from investors and social organizations, and limited ability to raise capital. Failure to adapt lending policies to the transition risks affecting customers operating in high-emission industries could reduce the PZU Group's profitability and competitiveness.



Opportunities related to climate change

Apart from the impacts and risks described above, the PZU Group also identifies opportunities related to climate change. Within the various components of the value chain, opportunities that are important to the PZU Group relate to:

1) within its **own investments –** financing projects supporting the energy transition, where PZU Group entities would be investors in RES, low-emission infrastructure and adaptive technologies;
2) from a **business banking** perspective –

- increasing the revenue from offering financial products that support the reduction of greenhouse gas emissions and accelerate customers' transition to a low-emissions economy;
- developing product offerings that support the energy transition or are designed for net zero/low-emission sectors, developing advisory (by subsidiaries), including consulting for corporate clients on climate and ESG risk management.

8.2.2. Managing material impacts, risks, and opportunities related to climate change

[E1-2] Policies related to climate change mitigation and adaptation

Policies related to climate change mitigation and adaptation

The PZU Group is proceeding in line with existing policies related to climate change mitigation and adaptation implemented at the central level and by individual PZU Group entities. These documents cover the following areas:

- **climate change mitigation** – by reducing greenhouse gas emissions in operations, investment portfolios and insurance products, taking into account the ambitions expressed in the PZU Group Decarbonization Strategy;
- **climate change adaptation –** by developing products and services to support customers in managing climate risk and increasing the organization's resilience to physical risks and transitions;
- **energy efficiency** – by implementing technological and organizational solutions that reduce energy and fuel consumption in buildings and operational processes and by ensuring digitization;
- **use of renewable energy** – by supporting investment in green technologies, purchasing energy with guarantees of origin, as well as investing in and developing our own RESs;
- **management of climate risks and opportunities –** by systematically identifying and assessing climate-related risks and opportunities, including using scenario analysis;
- **awareness raising** – by engaging in educational efforts and communication aimed at employees, customers and business partners.

In implementing the policies, the PZU Group aims to ensure an approach compliant with ESRS 2 MDR-P, guaranteeing consistency with other ESRSs and related EU regulations, such as SFDR and the EU Taxonomy. Due to the heterogeneous structure of the PZU Group, including the considerable autonomy with which the PZU Group entities carry out their operations, there is no separate policy dedicated solely to climate change. Instead, there are area-based policies developed and documented to support climate change ambitions and measures, tailored to the type of activity and market in which they are implemented, among others:

- **PZU Group Sustainability Policy** – the basic document in the PZU Group describing how PZU Group entities work together, including in the area of climate change mitigation and adaptation;
- **PZU Group's Environmental Policy** – the document describes measures aimed at reducing environmental impact, while simultaneously considering the energy transition and a broad approach to sustainability;
- **PZU Group Decarbonization Strategy** – the basis for the PZU Group's approach to climate policy, setting directions for the PZU Group's future decarbonization goals;

- **Sustainable Investment Policy** (for PZU, PZU Życie and TFI PZU) – the document outlines the ambition to allocate capital in accordance with ESG criteria and reduce exposure to high-emission sectors;
- **Bank Pekao's Strategy for 2025-2027, Credit Risk Strategy, Credit Risk Policy, and Sustainable Finance Framework** – the documents define the Bank's comprehensive approach to integrating ESG factors, including climate risk, into its lending and investment processes, including the identification of high-emission portfolios with mitigation of their financing, the development of ESG risk assessment tools, the implementation of green financing limits, and a framework for financing sustainable projects in line with the technical criteria under the EU Taxonomy;
- **Alior Bank S.A. Sustainable Financing Policy** and **Principles of Financing Business Customers** – the documents define the processes for identifying, assessing and quantifying ESG risks, and impose restrictions or exclusions on financing activities that may have a negative climate impact;
- **Environment Protection Policy, Sustainability Policy and Risk Management Strategy at AAS Balta** – the documents together integrate climate issues with efforts to reduce emissions, adapt to climate change, ensure energy efficiency and promote specific investments;
- **Environmental Policy at Armatura Kraków** – based on the PZU Group Environmental Policy mentioned above, this document is complemented by important aspects of the value chain specific to Armatura Kraków, including the production and product design process;
- **Sustainable Development Policy at Lietuvos Draudimas AB** – the document defines actions for emissions reduction, climate change adaptation, energy efficiency improvement and stakeholder education.

In addition to the aforementioned documents, the PZU Group's Business Strategy also takes into account factors related to climate change mitigation and adaptation, as detailed in the "Climate change mitigation and adaptation targets" section.

The aforementioned documents are subject to appropriate corporate approvals, including by management boards and, potentially, supervisory boards; whether they are up to date is an issue monitored as part of the ongoing operational tasks of the business owners assigned to them.

[E1-3] Actions and resources in relation to climate change policies

Climate change mitigation and adaptation measures

The PZU Group continues to implement and develop activities to support the transition to a low-emission economy. At their core is the reduction of greenhouse gas emissions both in the portfolio and within the company's own economy, the improvement of energy efficiency, and the development of products and services that help customers and society adapt to the effects of climate change. These activities include key business areas from the PZU Group's perspective – own investments, insurance product design, business banking, as well as the optimization of operational processes. The common denominator is the desire to reduce the carbon footprint and promote sustainable development.

Non-life insurance

The PZU Group has not yet determined how to manage the negative impacts associated with insuring high-emission entities due to the focus of its approach on providing access to the products needed for an orderly transition. Consequently, by offering insurance coverage to entities in the mining and power sectors, the PZU Group supports their role in the transition to a net-zero economy.

Physical and transition risks, in turn, are managed through processes for assessing the portfolio's exposure to natural phenomena and designing, on an annual basis, reinsurance programs that reduce the impact of catastrophic events. Adjusting terms and conditions, as well as pricing reinsurance products and programs is an integral part of the product management process that allows the PZU Group to respond to the changing risk profile associated with climate change.

The PZU Group is developing product offerings that support the energy transition or that are designed for net-zero and low-emission sectors, developing consulting and prevention services, and implementing damage prevention programs - e.g., weather risk monitoring, and early warning systems.

The PZU Group has a range of products to support the energy transition and climate resilience. In this regard, insurance is offered in particular for sectors that support the transition to a low-emission economy, with photovoltaic installations, wind farms or water plant networks. The PZU Group's portfolio includes a variety of products tailored to customers' needs and to the specific nature of the market in which PZU Group entities operate. These include: "PZU Wind Power" and "Power of the Wind", "PZU Solar Power" and "Power of the Sun", "PZU Eko Energia", "PZU for Housing Communities and Cooperatives" and "PZU Bezpieczne Lokum".

Environmental liability insurance is also offered for environment damage. It is intended for entities using the environment within the meaning of the Act of 30 April 2007 on the Environmental Damage Prevention and Remedy. The scope of insurance covers the liability for environmental damage, including the costs of actions taken to repair or replace in an equivalent manner natural elements or their functions, as well as the costs of actions taken to prevent or reduce environmental damage.

In addition, the PZU Group is taking steps to adapt further products on offer to the requirements of the EU Taxonomy, through which climate change adaptation or mitigation is supported. The product portfolio includes commercial and motor insurance and is aimed at corporate clients, small and medium-sized enterprises and individual customers.
A broader description of insurance products that meet the requirements of the EU Taxonomy is included in the section on taxonomy disclosures of the PZU Group.

The PZU Group aspires to participate in the project to protect Poland's future nuclear power industry. Having initiated the establishment of the nuclear insurance pool, which is a consortium of Polish insurers that will provide coverage for the nuclear power industry in Poland, the PZU Group is taking steps to be a leader in the area of nuclear investment insurance. TUW PZUW is expected to be the technical organizer of the risk assessment effort, finding suitable insurance capacities,

underwriting and settling this project, as well as preparing procedures related to claims handling.

Own investments

Investment decisions account for their main adverse impacts on sustainability factors, understood as environmental, social and labor issues, human rights issues and anti-corruption. The aforementioned factors are taken into account:

- if this does not contradict the investment objectives, investment diversification principles, and other investment restrictions, or the investment selection criteria and the adopted benchmarks and reference rates;
- only if this does not adversely impact the expected return on the portfolio and the ratio of expected portfolio profits to portfolio risk;
- with the proviso that the ability to take into account the main adverse impacts of investment decisions on sustainability factors is limited or excluded with respect to products with specific investment policies, e.g., products in which funds may be invested only in specific financial instruments.

The PZU Group pursues activities related to participation in debt financing consortia. Under these consortia, borrowers are encouraged to invest funds in areas related to climate protection, social activities or other socially useful initiatives, including through margin adjustment mechanisms that depend on the achievement of KPIs for ESG-linked financing. Debt instruments that either support sustainable development or the terms of issuance of which are linked to ESG goals are also used.

Approximately 90% of the investment property portfolio overseen by PZU has sustainability certificates, and another 4% is in the process of obtaining them. At the same time, investments were made to increase the energy efficiency of the buildings in the portfolio, such as to install reactive power compensation, upgrade HVAC systems and replace lighting with LEDs. The criterion of having or acquiring an environmental certificate is also an important element in the decision to purchase office and warehouse properties.

Taking into account the specific nature of financial institutions such as the Pekao Group and Alior Group, these groups are implementing their own approaches to investment activities in sustainability financing. They are related to support for energy transition and investments, including those of an environmental nature.

Business Banking

Banking activities were conducted to support the customers' energy transition. Within the Pekao Group, in the reporting year, financing was provided for, i.a., RES and low-emission transport with a total value of PLN 8.492 billion. In addition, the goals set in the Bank Pekao S.A. Group Transition Plan are based on specific planned decarbonization measures. In particular, in the next few years, they will consist in engaging in targeted financing of transitional generation technologies based on natural gas, which will include increasing the balance sheet commitment to natural gas to 24.7% in 2030, and in maintaining a high commitment to targeted financing of net-zero generation technologies based on wind and solar power (planned balance sheet commitment to exceed 40% of the total commitment in the electricity sector). In the case of the Alior Group, efforts continued to increase the share of sustainable transition products to above 10% of new sales in the Business Customer segment by 2027. In addition, flexible financial instruments were offered to enable entrepreneurs to invest in solutions that promote emission reductions and increase the share of renewable energy in the energy mix. The Alior Group also made low-interest loans available for, among others, installing or expanding RES installations, which were an important part of supporting the energy transition in the SME sector.

Own operations

From the PZU Group's perspective, activities to reduce its carbon footprint, within the framework of its own operations, are non-material in terms of the total impact on greenhouse gas emissions. This is because the dominant source of emissions lies in other areas mentioned earlier, such as the investment portfolio and insurance business, and the potential reduction in the operational area does not significantly reduce the PZU Group's carbon footprint. Nevertheless, a number of sustainable initiatives are being undertaken, as outlined below.

Entities in the PZU Group are carrying out decarbonization activities, which include upgrading office or business-related infrastructure by implementing energy efficient solutions such as LED lighting, energy management systems, reactive power compensators, lower-emission refrigerants and high-efficiency boiler replacements.
To the extent possible, PZU Group entities are gradually increasing the share of renewable energy in their consumption, taking measures to reduce the use of water, paper and consumable materials.
Measures are also being taken to reduce and replace the vehicle fleet with net-zero or low-emission vehicles.

Educating employees and customers about sustainability is an integral part of the aforementioned activities – training courses, webinars and educational campaigns promoting the PZU Group's carbon reduction efforts are being implemented.

Climate change mitigation and adaptation resources

In the reporting year, the PZU Group did not have organizational or budgetary resources dedicated exclusively to climate change mitigation. Activities in this area were carried out as part of ongoing operational and strategic processes, without separate structures for this purpose. The aforementioned activities were carried out by units and structures that had competencies assigned to them, including under relevant organizational regulations, at the level of individual entities in the PZU Group.

The PZU Group calculates greenhouse gas (GHG) emissions in Scope 1, 2 and 3 using appropriate analytical tools, presenting any achieved emission reductions in section E1-6. With no ESRS-compliant decarbonization targets set at the PZU Group level, expected emission reductions are not disclosed as required by the ESRS.

In the reporting year, no significant capital expenditures or operating expenses (CapEx and OpEx) related to decarbonization activities, including solutions based on natural resources, were recognized separately.

[E1-4] Targets related to climate change mitigation and adaptation

Climate change mitigation and adaptation targets

The PZU Group's Strategy for 2025-2027, "With Confidence into the Future", sets out, among others, environmental targets to strengthen the PZU Group's resilience in the face of climate change. Its assumptions are to be implemented in several lines of business, i.e., by reducing CO_2e intensity in corporate insurance, banking, and investments; financing projects that support the green transition; and taking into account the impact of climate change on claims in price-setting. The desired outcome of these activities is reducing by 23% CO_2e emissions in the corporate insurance portfolio in terms of declared emissions by key corporate clients by 2030, as well as expanding product assessments and including the identification of ESG factors in them. This strategic ambition does not meet MDR-T requirements, and an MDR-T-compliant goal has not yet been developed and formalized. The indicated reduction in CO_2e emissions is based on the assumptions set forth in the PZU Group's Decarbonization Strategy. It sets targets for the PZU Group's three key business areas: non-life insurance, own investments and business banking. In implementing the targets and objectives arising from the aforementioned documents, in 2025, in specific areas, the PZU Group focused primarily on preparations and activities to allow their reporting in the future, in accordance with the ESRS requirements.
In order to ensure transparency of information and actions taken, the following section describes them in terms of each component of the value chain.

Non-life insurance

Within its property insurance line, the PZU Group focused, as a continuation of the previous year, on individual motor insurance and commercial insurance covering corporate clients and small and medium-sized enterprises. While in motor insurance, no measurable emission reduction target is planned for the time being due to market conditions beyond the control of the PZU Group, in commercial insurance, in the view of the previously stated ambition to reduce Co_2e emissions in the corporate insurance portfolio, preparatory measures have been taken to achieve this goal. Due to the early date of publication of these statements, the PZU Group does not have access to the necessary data which would allow calculating the reduction index during the reporting period.

Own investments

One of the goals of the PZU Group's Strategy for 2025-2027, "With Confidence into the Future" is to allocate PLN 3 billion for new investments in green transition and innovation by 2027. In 2025, PLN 917.5 million was achieved in this target. Activities in this area are implemented by PZU, PZU Życie and TFI PZU (through closed-end investment funds for non-public assets (FIZANs) managing the Group's own funds). The target does not meet MDR-T requirements.

Business Banking

The scope of business banking in the PZU Group is covered by the Pekao Group and the Alior Group. The PZU Group's decarbonization strategy defined this area conditionally, pointing to the full autonomy of the banking groups in the final determination of potential targets.

Consequently, assumptions regarding the reduction of emission intensity set forth in the strategy provided a non-binding starting point for the Pekao Group and the Alior Group to set their own transition goals and plans. As a result of the above, and taking into account the EBA's Guidelines on the management of ESG risks which expect banks to have a transition plan as a tool for transition risk management, the assumptions made in the PZU Group's Decarbonization Strategy regarding the reduction of emission intensity for business banking lines ultimately did not provide a starting point for the banking groups to develop such plans. Notwithstanding the above, the Pekao Group has set a quantitative target of PLN 9 billion in its 2025-2027 strategy to finance its loan portfolio and investments in new projects which will include RES, low-emission transport, and energy-efficient construction, among others. This target was met at 94% in the reporting year. In addition, the Pekao Group has set goals related to climate change mitigation, to be achieved by 2030, in the Bank Pekao S.A. Group Transition Plan. These include reducing emissions in own operations by 61% in Scope 1 and 2 – market-based (60% location-based) and financed emissions (Scope 3 Category 15) from the electricity sector (by 39.5%) and residential real estate sector (by 43.4%). Detailed information on the base year, target reductions and other data required for ESRS-compliant targets, as they are targets adopted at the Pekao Group level, are available in the Pekao Group's sustainability reporting.

For the Alior Group, the quantitative goal being pursued is to achieve more than a 10% share of sustainable transition products in new sales to business customers by 2027. At the same time, systemic management of ESG risks in the loan portfolio has been adopted as an environmental objective, as a result of which the plan is to maintain the maximum limit of credit exposures

classified as exposures with high ESG risk at the level of up to 1% in a 10-year perspective. The Alior Group, as part of reducing the carbon footprint of its own operations, has also set a goal of purchasing 100% of its electricity with guarantees of origin, pledged to achieve climate neutrality by 2050, and committed to preparing a transition plan by 2027.

[E1-5] Energy consumption and energy mix

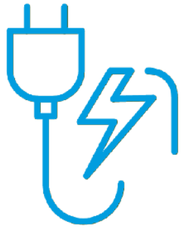
8.2.3. Energy consumption and mix

In presenting its energy consumption and energy mix, the PZU Group provides detailed information on quantitative and qualitative data in a way that makes it possible to assess the impact of its operations on climate change. These disclosures apply only to operations conducted or managed by the PZU Group, with the same boundary (operational control) as that adopted for the disclosure of Scope 1 and Scope 2 greenhouse gas emissions.

The PZU Group's total energy consumption during the reporting period was presented in megawatt-hours (MWh), taking into account the relevant conversion factors for figures originally expressed in other units. The data were divided by energy source, covering fossil fuel energy (coal, oil, natural gas), nuclear energy, and renewable energy. Renewable energy was further broken down into: consumption of renewable fuels (biomass, biogas, biofuels, renewable hydrogen), purchased electricity, heat, steam and cooling from renewable sources, and renewable energy generated for own consumption.

As regards energy generated, the PZU Group does not sell it or offset it under offset schemes, and all of it, which in the case of the PZU Group comes from renewable sources, is used exclusively for the Group's own consumption.

The PZU Group is aware of the significance of nuclear sources in Ukraine's energy mix, according to publicly available market reports in this regard. However, since this energy source is not recognized separately in information from electricity suppliers to PZU Group entities based in Ukraine, all energy consumed by these entities, unless it came from renewable sources, was not subject to estimation and was reported as part of fossil energy.



Energy consumption and mix of PZU Group	2024	2025
1) Fuel consumption from coal and coal products (MWh)	0.00	0.00
2) Fuel consumption from crude oil and petroleum products (MWh)	72,653.43	69,698.15
3) Fuel consumption from natural gas (MWh)	39,161.61	40 663,30
4) Fuel consumption from other fossil sources (MWh)	0.00	0.00
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	130,579.99	128,604.70
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	242,395.03	238,966.25
Share of fossil sources in total energy consumption (%)	81.1	83.7
7) Consumption from nuclear sources (MWh)	0.00	0.00
Share of consumption from nuclear sources in total energy consumption (%)	0.0	0.0
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	149.50	109.2
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	45,092.79	43,953.20
10) The consumption of self-generated non-fuel renewable energy (MWh)	1,755.73	2,485.63
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	46,998.02	46,548.03
Share of renewable sources in total energy consumption (%)	18.9	16.3
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	289,393.05	285,514.28

High climate impact sectors

The PZU Group has identified a high climate impact sector within the meaning of the sectors listed in Sections A-H and L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council, namely Casting of other non-ferrous metals (class 24.54), within which Armatura Krakow operates. For this activity, in accordance with its ESRS obligations, the PZU Group also breaks down fossil fuel energy consumption by type: coal and coal products, oil and oil-like products, natural gas, and other fossil fuels. The energy consumption measurements carried out are reportable as of this reporting year, so the PZU Group did not compare these figures with the previous year.



Energy consumption and energy mix of the PZU Group from high climate impact sectors	2025
1) Fuel consumption from coal and coal products (MWh)	0.00
2) Fuel consumption from crude oil and petroleum products (MWh)	0.00
3) Fuel consumption from natural gas (MWh)	13,308.02
4) Fuel consumption from other fossil sources (MWh)	0.00
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	1,367.27
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	14,675.29
Share of fossil sources in total energy consumption (%)	96.99
7) Consumption from nuclear sources (MWh)	0.00
Share of consumption from nuclear sources in total energy consumption (%)	0.0
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.0
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0.0
10) The consumption of self-generated non-fuel renewable energy (MWh)	455.76
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	455.76
Share of renewable sources in total energy consumption (%)	3.01
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	15,131.05

Energy intensity per net revenue

In accordance with energy intensity requirements, the PZU Group provides a ratio of energy consumption to net revenue in respect of identified activities in a high climate impact sector. This indicator is calculated as the ratio of total energy consumption from activities in this sector, to the net revenue generated from activities in this sector. The net revenue is recognized under Other operating income in the Consolidated Financial Statements for the year ended 31 December 2025 prepared in accordance with International Financial Reporting Standards.

Energy intensity per net revenue	MWh/million PLN 2025
Total energy consumption in activities in high climate impact sectors per revenue generated from activities in high climate impact sectors	215.40

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

8.2.4. Carbon footprint of the PZU Group

Metrics related to carbon footprint

In 2025, total greenhouse gas emissions amounted to 29,874,756.55 t Co_2e calculated using the location-based method and 29,847,087.45 t CO_2e calculated using the market-based method.

Within Scope 1 figures, 44 t CO_2e of biogenic emissions were identified.



CO_2e emissions of PZU Group

Category	Tons of CO_2e		
	2024	2025	Change y/y (%)
Gross greenhouse gas emissions Scope 1	26,785 including PZU: 6,521	26,593 including PZU: 6,858	-0.72 including PZU: 5.17
Gross greenhouse gas emissions Scope 2 (location-based)	87,104 including PZU: 12,170	78,866 including PZU: 12,195	-9.46 including PZU: 0.21
Gross greenhouse gas emissions Scope 2 (market-based)	56,220 including PZU: 6,435	51,197 including PZU: 7,289	-8.94 including PZU: 13.27
Total greenhouse gas emissions for Scope 3 (cat. 15)	32,062,919	29,769,297	-7.15
Total greenhouse gas emissions (location-based)	32,176,808	29,874,757	-7.15
Total greenhouse gas emissions (market-based)	32,145,924	29,847,088	-7.15

PZU Group greenhouse gas emissions by value chain elements - detailed breakdown of Scope 3 emissions (cat.15)

Asset class	Tons of CO_2e		
	2024	2025	Change y/y (%)
Funded emissions (PCAF Part A standard)			
Listed equity and corporate bonds (listed equity and corporate bonds)	1,217,060	1,741,402	43.08
Business loans and unlisted equity (business loans and unlisted equity)	17,658,186	12,166,199	-31.10
Project finance (project finance)	3,205,177	2,967,125	-7.43
Commercial real estate (commercial real estate)	351,944	201,776	-42.67
Mortgages (mortgages)	944,608	919,799	-2.63
Motor vehicle loans (motor vehicle loans)	115,424	813,484*	604.78
Sovereign debt (sovereign debt)	7,030,444	9,794,203	39.31
Insurance-related emissions (PCAF Part C standard)			
Commercial insurance	452,928	595,582	31.5
Motor insurance	550,889	569,728	3.4
Scope 3 category 15 total emissions	**32,062,919**	**29,769,297**	**-7.15**

* including the Alior Group's leasing portfolio

Methodology for calculating emissions and their intensity

Based on the PCAF guidelines and the GHG Protocol, the PZU Group has implemented the Carbon Footprint Calculation Guidelines, whose methodology and scope cover the PZU Group entities under PZU's operational control, in line with sustainability reporting consolidation. These entities are included in the calculation of Scope 1 and 2 emissions, as well as in the individual components of the significant value chain within Scope 3. Thanks to this, the data collection and consolidation process can be carried out consistently and transparently. Differences in total emissions between the disclosures presented in this statement and those included in the sustainability statements of the Pekao Group and the Alior Group may result from the types of Scope 3 categories taken into account when calculating emissions, with banking groups selecting categories based on their materiality to their respective business models. In the PZU Group, efforts are being made to collect data to estimate selected other Scope 3 categories. In future years, the PZU Group will study the possibility of including results from these categories in the PZU Group's total emission result.

Greenhouse gas emission reporting is based on verified international standards, ensuring data consistency and comparability. Standards and methodologies listed in the ESRSs were used in calculations of all three Scopes. Greenhouse gas emissions in all three Scopes are reported in CO_2 equivalents (CO_2e), per the applicable emission factors. The PZU Group does not separately identify CH_4 and N_2O emissions, nor does it identify biogenic CO_2 emissions for Scopes 2 and 3.

PZU Group's intensity of GHG emissions based on net revenue

Category	Tons of CO_2e			Revenue (in PLN million)			Intensity factor		
	2024	2025	Change y/y (%)	2024	2025	Change y/y (%)	2024	2025	Change y/y (%)
Greenhouse gas emissions (location-based)	32,176,808	29,874,757	-7.15	66,010	68,903	4.38	487.45	433.58	-11.05
Greenhouse gas emissions (market-based)	32,145,924	29,847,087	-7.15	66,010	68,903	4.38	486.99	433.18	-11.05

Scope 1 and 2 – Factors and methodology



Scope 1 includes direct emissions resulting from fossil fuel combustion in buildings and vehicle fleets, as well as losses of refrigerants. Scope 2 accounts for emissions related to the purchase of electricity and heat. Emission calculations are based on factors provided by recognized national and European sources, including KOBIZE and DEFRA. As for the KOBIZE emission factor, the PZU Group did not modify it independently, which means that it includes balance sheet losses and differences that should be disclosed in Scope 3 Category 3 under the GHG Protocol. In calculating Scope 2, information published in particular by the Energy Regulatory Office and electricity suppliers was additionally used, with the caveat that the PZU Group did not verify their factors against the criteria in the GHG Protocol.

The PZU Group was not subject to the European Emissions Trading Scheme in 2025, hence it has no such emissions in its Scope 1. As of the reporting date, the PZU Group has no information regarding circumstances that would significantly affect greenhouse gas emissions. Scope 2 GHG emissions reporting includes contract instruments associated with electricity and attributes related to its generation.

The PZU Group used standardized spreadsheets to calculate emissions and did not use external calculation tools.

When calculating Scope 2 emissions, due to the sharing of space in some properties for own operations with other entities, including those outside the PZU Group, proportional estimates of consumption were made and rounded to the nearest significant value. Emissions were also estimated for selected properties in the absence of consumption information covering the entire year 2025 for them. Consolidated data provided by some of the PZU Group entities, including their aggregate consumptions, were also used to calculate emissions.

As part of the figures for calculating Scope 2 emissions, the PZU Group identified:

- GO contracts (guarantees of origin) covering ca. 46.3% of the electricity consumed;
- own renewable sources (photovoltaics) covering ca. 2.6% of the electricity consumed.

The changes that have occurred in the sum of Scope 1 and Scope 2 emissions relative to last year are due to improvements in the data collection process at the level of PZU Group entities, including work to replace estimates with actual data and to expand the scope of data collected, particularly from the investment property portfolio.

Scope 3 – Factors and methodology



For Scope 3, emissions related to insurance, investment, credit, and leasing activities were deemed material and were grouped into a single key category:

- Category 15 (Emissions from financial investments) – emissions resulting from held bonds, stocks, investment funds, project finance, sold insurance policies, and granted loans.

The calculation excludes emissions associated with certain assets and investments in the value chain that are not included on PZU Group's balance sheet, including assets of investment and pension funds managed by the PZU Group. Emission calculations are based on factors and estimates in accordance with PCAF methodology, using data derived, in particular, from the Bloomberg database, PCAF factors, emitters, and publicly available market reports.

The remaining Scope 3 categories, from the perspective of the PZU Group, have been deemed immaterial and were not included in the statement. Due to varying market and interpretative practices related to the GHG Protocol—particularly within banking and leasing groups—the Alior Group's leasing portfolio, reported under Category 13 (1,177,434 tCO_2e), has been included in the emissions presented under Category 15 (707,370 tCO_2e). However, the emissions reported by the Alior Group under Category 11 (2,930,281 tCO_2e) have not been incorporated into the PZU Group's total emissions. This is because Category 11 refers to Scope 3 emissions arising from the specific operational activities of the Alior Group, which are not included within the PZU

Group's adopted approach to the consolidation of financed emissions, in line with the PCAF methodology.

For emissions associated with motor insurance, data on vehicles covered by retail insurance policies in the PZU Group in the reporting year, regardless of insurance duration, were used. Emissions in this regard were calculated based on distances traveled and the fuel efficiency of the vehicles. In the absence of some data from internal databases, data obtained from external databases were assigned and estimated based on statistical information, such as estimated distances traveled by the average vehicle type in the area.

The calculation of emissions associated with commercial insurance used data on policies covered by the PZU Group's portfolio in the reporting year, per the PCAF scope of business lines. Emissions attributed to policies were estimated based on emission figures of insured customers (Scope 1 and 2) and the attribution factor calculated as the ratio of net premiums to customer revenues. Where there was no complete primary data, estimation methods based on physical activity or sectoral emission factors were used. Where internal data was unavailable, external data was used.

The calculation of emissions associated with own investment portfolio, which includes stocks and bonds, uses information published by the companies in Scope 1 and 2 and estimates based on PCAF data and methodology. Emission figures come from the Bloomberg database, and the estimates are made based on the country and sector of a given portfolio company. As for emissions relating to investments in treasury debt securities, they are estimated on the basis of country emissions data published by the European Commission and GDP data adjusted to each country's purchasing power parity. In addition, the estimate was based on information reported by the UNFCCC (United Nations Framework Convention on Climate Change) and macroeconomic data of the OECD (Organization for Economic Co-operation and Development).

The calculation of emissions from lending was carried out in accordance with PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. For the purpose of the calculation, internal and external data sources were used, including data found in the central energy performance of buildings register maintained by the Minister of Economic Development and Technology, average emission factors contained in European databases, as well as reported emissions and financial data.

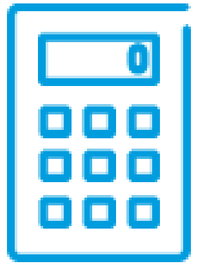
In calculating Scope 3 emissions, the PZU Group relied on primary data for 48% of emissions. In order to present a consistent value for all PZU Group entities, emissions that were assigned a PCAF quality score ("PCAF score") of 1 or 2 were considered to be derived from primary data.

For full transparency of the activities subject to the calculation of Scope 3 Category 15 CO_2e emissions, the PZU Group presents the following breakdown in each value chain component:

Value chain element	Activities included in the calculation of Scope 3 Category 15 CO_2e emissions
Non-life insurance	• commercial insurance • motor insurance
Own investments	• held corporate stocks and bonds • held government bonds
Business Banking	• corporate financing portfolio • vehicle financing exposure portfolio • commercial mortgage loan portfolio
Retail Banking	• retail mortgage loan portfolio

Recalculation of 2024 emissions for selected asset classes

To ensure greater accuracy, consistency and completeness of the data presented in reporting in accordance with the GHG Protocol and PCAF guidelines, Scope 3 Category 15 emissions were recalculated for the non-life insurance value chain component and in terms of emissions reported by Alior Group. The recalculation for non-life insurance is due to three key factors: a change in the calculation tool and refinement of the calculation process, the limited ability to replicate the previous year's calculations, and the expanded scope of the source data relative to the previous year. In the case of Alior Group, the adjustment is related to the modification of the methodology and the improvement of the process for items published for the previous reporting year. Therefore, in this section, the 2024 figures do account for the recalculation.



Consistency with the Consolidated Financial Report

Reconciliation of the revenue used to calculate the intensity of greenhouse gas emissions with the corresponding item in the financial statements		
Revenue component used for calculating the intensity of CO_2e emissions	Amount (m PLN)	Reference in the Consolidated Financial Statements of PZU Group for the year ended December 31, 2025, prepared in accordance with international financial reporting standards
Insurance revenue	30,882	Consolidated profit and loss account, line item "Insurance revenue"
Interest income calculated using the effective interest rate	28,562	Consolidated profit and loss account, line item "Interest income calculated using the effective interest rate and equalized to them"
Other net investment income	157	Consolidated profit and loss account, line item "Other net investment income"
Gains from derecognition of financial instruments and investments not measured at fair value through profit or loss	97	Consolidated profit and loss account, line item "Result from derecognition of financial instruments and investments not measured at fair value through profit or loss"
Net movement in fair value of assets and liabilities measured at fair value	1,928	Consolidated profit and loss account, line item "Net movement in fair value of assets and liabilities measured at fair value"
Revenue from commissions and fees	5,436	Consolidated profit and loss account, line item "Revenue from commissions and fees"
Other operating income	1,841	Consolidated profit and loss account, line item "Other operating income"
Total revenues	68,903	

[E1-7] GHG removals and GHG mitigation projects financed through carbon credits

[E1-8] Internal carbon pricing

During the reporting year, no GHG removal or storage projects were used in the PZU Group's own operations, inside or outside its value chain. The value of carbon credits canceled or scheduled for cancellation was also not identified.

The PZU Group does not apply an internal carbon pricing system.

[E1-9] Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The PZU Group is utilizing the option to defer disclosures related to the E1-9 reporting requirement for the following years.

8.2.5. Taxonomy disclosures of PZU Group

The PZU Group is engaged in insurance, reinsurance and investment activities, which necessitates reporting in terms of disclosures of environmentally sustainable economic activities.

Disclosures were prepared based on the following legal acts:

- Delegated Regulation (EU) 2020/852[1](Taxonomy Regulation)
- Directive 2013/34/EU of the European Parliament and of the Council[2]
- Delegated Regulation (EU) 2021/2178[3] (Disclosures Delegated Act)
- Delegated Regulation (EU) 2021/2139[4] (Climate Delegated Act)
- Delegated Regulation (EU) 2023/2486[5]
- Delegated Regulation (EU) 2026/73[6]
- Commission Notice C/2024/6691[7]

The PZU Group is a financial conglomerate, comprising financial companies within the meaning of the Delegated Disclosure Act. Within the PZU Group, there are the following segments of financial business:

- insurance segment, which includes insurance and reinsurance companies;
- banking segment, consisting of credit institutions and leasing companies;
- asset management segment, which includes investment fund companies and a general pension society.

Non-financial companies are also part of the PZU Group (e.g., Pekao Faktoring Sp. z o.o., PZU Zdrowie and its subsidiaries, Armatura Krakow, etc.). The total revenues of non-financial undertakings are not relevant from the point of view of the PZU Group, therefore it was adopted that the PZU Group is not a mixed group, but a financial conglomerate.

The parent company is the PZU insurance company, therefore, disclosures based on the Delegated Disclosure Act were constructed from the point of view of the insurance company.

The EU taxonomy lists economic activities with significant environmental impact. For each of the business activities identified in the EU Taxonomy, technical eligibility criteria have been set up, which are the conditions that an economic activity must meet to be considered environmentally sustainable. Non-life insurance and reinsurance activities are defined in the EU Taxonomy as activities that support climate change adaptation.

In investments, a KPI for insurance companies is the Green Investment Ratio (GIR). It represents the percentage of insurance company investments that are targeted to, or tied to, the financing of EU Taxonomy business activities for all investments. Taxonomy disclosures of the PZU Group include:

- table “Key insurance performance index of insurance and reinsurance companies conducting non-life insurance activities” (Green Investment Indicator) based on Appendix X in connection with Appendix IX of the Delegated Disclosure Act;



- table concerning nuclear and fossil gas related activities pursuant to Annex XII to the Disclosures Delegated Act;
- qualitative information under Annex XI to the Disclosures Delegated Act, including segment KPI disclosures and the aggregate key performance indicator in accordance with the Commission Notice of 8 November 2024.

1) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance);
2) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on annual financial statements, consolidated financial statements and related reports of certain types of entities, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.
3) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation
4) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives
5) Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities
6) Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.
7) Commission Notice (C/2024/7494) on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice)

Application of existing regulations

Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives introduced several amendments to the Disclosures Delegated Act. However, in accordance with Article 4 of this Regulation, companies may observe the provisions of the Disclosures Delegated Act, the Climate Delegated Act and Regulation (EU) 2023/2486 in the wording applicable on 31 December 2025 in the fiscal year beginning between 1 January and 31 December 2025.

PZU has decided to avail itself of this option and apply the Disclosures Delegated Act in the wording which was in effect on 31 December 2025 to this disclosure for the 2025 fiscal year.

Contextual information on quantitative indicators

Insurance business

Eligibility criteria for insurance and reinsurance activities

Non-life insurance and reinsurance activities[8] must meet technical screening criteria set forth in the Climate Delegated Act to be considered environmentally sustainable.

Technical screening criteria are used to determine the conditions under which an economic activity qualifies as contributing substantially to climate change adaptation, not causing significant harm to any of the other environmental objectives, and operating in accordance with the principle of minimum guarantees.

According to the requirements set forth in the Climate Delegated Act, Taxonomy disclosures for insurance undertakings should specify what proportion of overall activity in the scope of insurance other than life insurance is activity in the scope of insurance other than life insurance related to adaptation to climate change, run in accordance with the conditions specified in said Act.

Compliance criteria

The PZU Group has developed a methodology based on the Climate Delegated Act and reviewed all insurance products belonging to the non-life insurance product lines (Group II within the meaning of the Act on Insurance and Reinsurance Activity).
Based on the review, those product areas that provide insurance cover for the occurrence of climate-related risks listed in Appendix A to Annex II to the Climate Delegated Act were singled out. Subsequently, these products were analyzed for technical eligibility and qualification to insurance activities criteria. Products aligned with the EU Taxonomy were considered to be those that together meet all the required technical screening criteria.

As compliant with the EU Taxonomy, PZU considered products from the lines:

- insurance against fire and other property losses;
- assistance insurance;
- other motor insurance.

In TUW PZUW, Lietuvos Draudimas and BALTA, products in insurance against fire and other property losses were considered Taxonomy-aligned. In addition, Lietuvos Draudimas also offers Taxonomy-aligned products in other motor insurance.

Risk modeling criteria

In accordance with the requirements of the Climate Delegated Act, insurance companies employ state-of-the-art climate risk modeling techniques.

In PZU, climate risks and extreme climate events are analyzed as part of the calculations covered by the standard formula (flooding, hurricane) as well as in ORSA (flooding, fire for the largest exposures in forest areas, including also crop fields). As part of the ORSA, PZU performs stress testing as well as sensitivity analyses involving stress scenarios based on four NGFS scenarios. As part of the mandatory ORSA projections, the impact of climate risks on the solvency situation of PZU in the short-term 3-year perspective is also considered (perspective consistent with business planning).

PZU has an advanced flooding model that was developed in collaboration with IMGW. This model utilizes hydraulic modeling, which allows for the propagation of flood waves across Poland. PZU applies this model to its insurance activities related to the Taxonomy products it offers, and the risk is estimated down to the building. The flooding model is used in business processes, in particular in underwriting for corporate customers, as well as in the tariff process for consumers for fire and other damage to property insurance.

8) Definition of enabling activities according to the EU Taxonomy (Article 16 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020) – “An economic activity should qualify as contributing substantially to one or more of the environmental objectives set out in this Regulation where it directly enables other activities to make a substantial contribution to one or more of those objectives. Such supportive activities should not lead to reliance on assets that undermine long-term environmental goals, taking into account the economic lifecycle of those assets and should have significant positive effects on the environment based on life cycle considerations.

Other companies also include climate risks as part of the scenarios in the ORSA process, analyzing both physical risks (e.g., floods, hurricanes, fires) and transition risks. For this, they use their own and group-wide stress scenarios, advanced catastrophe models (CAT), while Lietuvos Draudimas and TUW PZUW also use flood tools based on local hydrological and meteorological data. The modeling results are integrated with underwriting and pricing processes to determine appropriate sums insured, identify risk concentration, and prevent overexposure to vulnerable areas.

Product and distribution-related criteria

Fire and other damage to property insurance, protects businesses and consumers from climate risks. Pursuant to the terms of the agreement, both corporate and SME customers can receive a discount on condition that they install fire protection measures and SME customers and individual consumers can receive a discount on condition they install flood protection measures. For corporate insurance, an individual risk assessment is performed, which takes into account all factors including any adaptive and preventive actions. For SME customer and consumer insurance, discounts are included in the product tariff design. In listed types of insurance, customers receive a compendia or information during the sales and service process with advice on how to protect against climate risks and how they affect the price or scope of insurance. The compendia are also available on www.pzu.pl in product tabs and on the sustainability tab.

Assistance insurance also offers the option to purchase additional risk transfer insurances within the meaning of the EU Taxonomy. For example, customers enjoying PZU Dom can extend coverage to include home assistance,

http://www.pzu.pl

https://www.pzu.pl/grupa-pzu/zrownowazony-rozwoj

such as hotel stays in the event of a fortuitous event, including those related to climate risks.

For other motor insurances, PZU offers comprehensive Autocasco motor insurance for both individual and corporate customers, which additionally the client may extend to the assistance in the form of PZU Auto Help insurance.

Taxonomy products offered by other companies also include possible discounts to encourage policyholders to take action to support climate protection.

In line with the requirements of the Climate Delegated Act, with respect to products related to climate risks, PZU:

- analyzes clients' interest in protection from climate risks and addresses them in product offerings;
- applies preferential pricing conditions to customers that encourage them to reduce or prevent the effects of climate risks, such as discounts for specific customer activities;
- informs customers of possible benefits that result from limiting or preventing climate risks;
- educates customers on the actions they can take to mitigate or prevent climate risk using guidelines on how to get insurance against climate risks.

Similar activities related to Taxonomy products are being undertaken by TUW PZUW, Lietuvos Draudimas and BALTA.

Data disclosure criteria

On the PZU website there is a declaration on the disclosure of data to public administration authorities, in accordance with the requirements of the EU Taxonomy.

Other companies also publicly declare that they will make the data publicly available to public administration authorities, as required by the EU Taxonomy.

Criteria for handling large-scale claims

In accordance with the requirements of the EU Taxonomy, PZU informs that it has a procedure in place for handling claims on a large scale. "Crisis claim management procedure" refers to the mass property claims caused as a result of, amongst others, flooding, hurricane, rain, hail, snow, lightning surges, bad winter effects, spring frost, drought and earthquake.

This procedure provides additional measures for large-scale incidents to ensure high level of claim handling in terms of quality and timeliness. This procedure applies to all taxonomy products and complements high standards of claim handling. The procedure is an internal document.

The procedure describes many mechanisms used when losses with catastrophic characteristics occur. These processes are primarily focused on:

- effectively reach the customer, provide assistance and comprehensive services in the shortest possible time following the occurrence of the damage;
- shorten the claims handling time;
- adjust the claims handling process to client expectations;
- improve the quality of service and customer satisfaction.

The most common activities under this procedure are:

- the launch of mobile service points;
- simplification of the processes of claims reporting and handling;
- re-allocation of resources to areas affected by the disaster and to substantive claims handling processes.

Events with catastrophic characteristics occur seasonally, most often during the winter and summer seasons. This entails an increase in the amount of claim handled and the actions and improvements taken enable their quick handling. The simplifications used allow determining the amount of compensation without the need for a detailed cost estimate. The implementation of automation allows compensation to be paid within one business day from the date of the claim report. Established team of experts tracks meteorological reports and media publications about potential threats.

Other companies have the same solutions as PZU in the area of mass claims handling.

Technology in the claims handling process

Technology increases business efficiency and customer satisfaction. PZU develops new ways of determining the extent of damage to speed up the determination of the amount of compensation. For property insurance, in addition to inspection by the Mobile Expert at the location indicated by the customer or in the repair workshop within the network, the amount of damages may be determined within:

- simplified service procedure (without conducting a vehicle inspection);
- self-service (calculation of the amount of the loss on your own);

Criteria linked to „Do no significant harm" principle

In accordance with the requirements of the EU Taxonomy, the principle of "Do no significant harm" is taken into account in the calculation of premiums.

Client activities related to "the mining, storage, transport or production of fossil fuels" and insurance for "vehicles, property or other assets intended for such purposes" have been identified based on the Polish Classification of Activities (PKD) and in few cases at the contract level. Insurance against such activities is excluded from the calculation of factors for Taxonomy-aligned activities.

Reinsurance activity

Taxonomy analysis of the reinsurance business was limited to intragroup activities. PZU does not have the appropriate data for the non-group activities.

As for the PZU Group's Taxonomy-eligible activities, it is mostly insurance against fire and other damage to property that is reinsured. In the intragroup activity, it was assumed that reinsurance of premiums from products that meet all requirements of the EU Taxonomy is also the basis for meeting the EU Taxonomy product criteria for reinsurance. The declaration on data sharing posted on the PZU website also includes data from the reinsurance business. PZU also confirms that the handling of the reinsurance losses is carried out in accordance with the requirements of the EU Taxonomy, in particular this means high standards of conduct and timely handling of claims and benefits. The support of the reinsurer is confirmed by a clause of cooperation in the handling of claims and parallel payment, which provide support to the insurer in the assessment of claims as well as in the immediate financing of compensation payment.

Methodology for calculating insurance and reinsurance disclosures

Both 2024 and 2025 data were prepared according to taxonomy requirements, based on the amount of insurance revenues and have been adjusted to the applicable law, including changes resulting from IFRS 17. In the PZU Group, all companies offering non-life insurance products value their contracts under IFRS 17 using the premium allocation approach (PAA) only. The calculation is made at the Unit of Account (UoA) level, being the intersection of the IFRS 17 portfolio level and the policy cohort level. Due to the level of aggregation at which IFRS 17 calculations are made, it is not possible to determine the exact Taxonomy class for insurance revenues as it would be for premiums. Accordingly, PZU decided to allocate insurance revenues to Taxonomy classes. In order to determine a measure that would be an appropriate key, the components of insurance revenues were analyzed. The allocation key is based primarily on earned premium (excluding active intragroup reinsurance and its retrocession, where the allocation key is based on information from assignors), which accounts for the largest share in revenue and is available in PZU Systems, broken down by policy and risk, allowing the taxonomy to be accurately determined. Taxonomy indicators for insurance are calculated in PZU only from products that meet all the requirements of the EU Taxonomy, taking into account the exemptions related to the "do no significant harm" criteria. Only that portion of the premium which covers climate risks was included in the calculation. This portion was estimated for each Taxonomy-aligned product based on the share of damages that result from climate risks in all damages over the past 10 years or less for newly introduced products. The remaining portion of revenues were shown in revenues not eligible for systematic treatment, as per Commission Notice C/2024/6691 dated 8 November 2024. To calculate the revenue in respect of Taxonomy-eligible insurance products, the PZU Group does not use an indicator based on the share of climate losses in premiums, but instead takes the entire value of revenues from a given line of business, as long as the product provides coverage for at least one climate risk. As regards the environmental factor of fire – with the inability to distinguish fire losses between those caused by spontaneous fires and that caused by other (non-climate) causes, the Group considers all fire losses as climate losses.

PZU Group has guidelines on the interpretation of the EU Taxonomy for insurance, reinsurance, investment activities and the fulfillment of the principles of minimum safeguards, which is an internal document developed based on applicable regulations. On its basis, each PZU Group entity that offers products that qualify as insurance products (other than life insurance) and reinsurance services conducts an analysis for each of its products to meet the requirements of the EU Taxonomy. Data obtained are then aggregated using consolidation and accounting principles.

In order to fully capture the image of the PZU Group in accordance with the EU Taxonomy, the indicators were calculated in two views: unit for PZU and consolidated for the entire PZU Group, i.e. for all PZU Group subsidiaries that conduct business in the area of property and casualty (non-life) insurance: PZU, LINK4, TUW PZUW, Lietuvos Draudimas, Lietuvos Draudimas – Estonia branch, BALTA and PZU Ukraine. The 2025 disclosure calculations were made using the income in accordance with IFRS 17. The calculations take into account the principles of consolidation, in particular the exclusion between the Group entities.

Investment activity

As a financial enterprise, PZU used key performance indicators (KPIs) disclosed by Group entities in which it has invested when calculating its own KPIs, including the Green Investment Ratio (GIR).

Contextual information about quantitative metrics, including the scope of assets and activities covered by key performance metrics, information on data sources and constraints

Investment policy indicators

Indicators are calculated based on the standards used in financial reporting, the International Financial Reporting Standards. Consolidated indicators refer to financial companies belonging to the PZU Group, where the scope of consolidation is, as assumed above, identical to that adopted in the consolidated financial statement, excluding Group banks where the assets were consolidated prudently.

Disclosures are prepared on a consolidated basis. The basis is consolidated assets from the consolidated financial statements of the PZU Group. Entities consolidated in full are treated as “transparent”.

The assets of Unit-linked insurance fund (“UFK”) are also invested in units and shares of investment funds. For the calculation of key performance indicators related to PZU Group’s investments, the so-called look-through approach was applied, meaning that entities within the portfolios of these investment funds were considered in proportion to the value of UFK investments in the investment fund. The break-through rule mentioned above did not apply to ETFs, of which the ETF was significant in PZU Group’s insurance portfolios in Lithuania and Latvia, including the UFK. In subsequent years, the PZU Group will make efforts to also include ETF funds under the so-called look-through approach.

In the case where PZU Group invests in investment funds (UCITS or AIF), the aforementioned look-through approach is applied. However, there is no plan to implement a solution in which PZU Group’s KPI calculations would use KPI indicators (GIR) based on turnover and investment expenditures of the asset management entity managing a given UCITS or AIF. This approach allows for the inclusion of indicators of compliance with the EU Taxonomy of the activities of companies to which the PZU Group has indirect exposure, through investment funds. An alternative approach, that is, the use of KPIs of entities managing a given investment fund, would not take into account the fact that the funds and portfolios managed by a given manager have a different strategy and therefore different exposure to activities consistent with the EU Taxonomy. Moreover, the investment fund manager (particularly Polish investment fund companies) often fails to report their GIRs.

After applying the look-through approach, the PZU Group had exposure to a large number of issuers in which the investment was made and for some issuers the share of instruments issued by the issuer in the PZU Group assets (using the look-through approach) was very low. It has been assumed that the impact of such issuer’s KPIs on the value of the PZU Group KPI is non-material. As a result, it was decided not to consider KPIs for issuers with PZU Group’s investment value lower than PLN 25,000 (based on the look-through approach). Such a cut-off point was selected by an expert method, taking into account also the cost of obtaining market data. With this cut-off point taken into account, issuers whose indicators have been omitted account for a total of around PLN 25 million, which represents less than 0.15% of the assets of the PZU Group covered by the key performance indicator. For such exposures, their activities were assumed to be ineligible for the EU Taxonomy, so they are not in compliance with the EU Taxonomy either.

$$\textbf{Green Investment Ratio} = \frac{\text{exposure to Taxonomy aligned activities}}{\text{total value of assets covered by the key performance indicator}}$$

Data sources

Disclosures of key performance indicators related to investments are based on the following data sources:

- internal data from accounting systems and financial reports;
- data on the entities in which an investment was made, obtained from external services, in particular Bloomberg which collects issuer reports;
- internal data on investment properties or data obtained from the managers of these properties.

Data from external sites, including Bloomberg, generally reflect the data published by enterprises, but it cannot be excluded that, at this stage of market development and system development, data from external sites may not fully reflect the data published by enterprises.

Disclosures of key performance indicators related to investments for the year 2025 are published along with the consolidated activity report of the PZU Group in the first quarter of 2026. At the same time, sustainability reports for 2025 are published for both non-financial and financial enterprises in which PZU Group has invested. For this reason, at the time of preparing this disclosure, data for 2025 were not yet available for the vast majority of investee companies. Therefore, the most recent available data for investee companies was used to calculate key performance indicators related to PZU Group’s investments, meaning that almost all data was available for 2024.

For investee companies that do not publish sustainability statements but are part of a capital group subject to sustainability reporting requirements and are included in the group’s report, the indicators for the group, as presented in the consolidated report, were adopted. However, in cases where it does not have a substantive justification (e.g., a completely different activity than the activities leading the group, the project in progress, etc.) it is permissible not to consider the indicator for the group.

In accordance with the Delegated Disclosure Act, financial companies may use estimates to assess the classification of exposure to companies, referred to in paragraphs 6, letters e) and f) [company with its registered office in a third country], if these financial undertakings are able to demonstrate compliance with all the criteria laid down in Article 3 of Regulation (EU) 2020/852, except for the criteria set out in Article 3 letter b) of this Regulation [does not cause serious damage to any of the environmental purposes set out in Article 9 in accordance with Article 17]. Financial companies formalize, document, and publicize the method on which such estimates are based, including the approach

and method of research, the main assumptions, and the precautionary principles used. However, the PZU Group decided not to apply such estimates. Therefore, only the data provided by the companies in which the investment was made was used to compute the calculations. Bloomberg's estimates were also not used.

The PZU Group has decided that it will not individually contact the entities in which it has made an investment in order to obtain the data before their official publication due to the costs related to the performance of this task, taking into account the scale of the PZU Group's activities. The PZU Group has also decided that it will not make its own data estimates for other entities due to its prudent approach.

Given that the calculation of financial enterprises' KPIs, including GIR, depends on the flow of information and data from financial and non-financial enterprises in which investments are made, it can be expected that the robustness and accuracy of these KPIs will gradually improve as more enterprises become subject to reporting obligations under the Corporate Sustainability Reporting Directive (CSRD), whose data, including data reported under the EU Taxonomy, will be subject to approval.

Investments (managed assets)

According to Annex IX of the Delegated Disclosure Act, investments should be understood as all direct and indirect investments, including investments in collective investment undertakings, equity holdings, loans and mortgage credits, tangible fixed assets, as well as, where applicable, intangible assets.

The following asset items from the financial statements were considered investments:

- tangible fixed assets (only owned real estate was included in this category);
- investment properties;
- equity-accounted investments;
- assets pledged as collateral for liabilities;
- assets held for sale (only investment properties and owned real estate were included in this category, while other types of assets were excluded);
- loan receivables from clients;
- investment (portfolio) financial assets, excluding cash and deposits;
- derivative financial instruments (according to Article 7(2) of the Delegated Disclosure Act, these are included in the denominator but excluded from the numerator).

It has been assumed that the following assets in the financial statements do not meet the definition of investment and are therefore not included in the reporting:

- goodwill;
- intangible assets;
- deferred tax assets;
- insurance contract assets;
- reinsurance contract assets;
- other assets;
- receivables;
- cash and cash equivalents.

According to Article 7(1) of the Delegated Disclosure Act, exposures to central governments, central banks, and supranational issuers are excluded from both the numerator and denominator when calculating key performance indicators (KPIs) for financial enterprises. Therefore, it was assumed that assets covered by the key performance indicator (KPI) (covered assets) include all investments made by the insurance entity (all managed assets) (total assets / total AuM), excluding investments in state-owned entities.

Exposures to central governments were also considered to include securities guaranteed or backed by the State Treasury, such as bonds issued by Bank Gospodarstwa Krajowego and the Polish Development Fund. However, exposures to regional authorities and local government units were not classified as central government exposures. Financial instruments issued by these entities, such as municipal bonds, were included in the denominator as covered assets under the KPI but were excluded from the numerator. This approach was not applied to exposures to regional authorities and local government units held in investment fund portfolios in which PZU Group has invested and where the look-through approach was applied.
These exposures are excluded from the denominator, in the same way as exposures to central governments. PZU Group will make efforts in the coming years, in collaboration with data providers, to include these exposures under the look-through approach in the denominator as covered assets under the KPI.

Exposure to the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) was not considered as exposure to supranational issuers. Based on the EU Commission's EU Taxonomy Navigator, the EIB and the EBRD are considered credit institutions rather than supranational issuers, and therefore their instruments are included in the assets covered by the key performance indicator.

Assets covered by a Key Performance Indicator (KPI) (covered assets) = all investments (all managed assets) (total assets/total AuM) - investments in government entities (exposures to central governments, central banks and supranational issuers).

Additional assumptions

According to Article 7(3) of the Delegated Disclosure Act, exposures to companies that are not subject to the obligation to publish non-financial information under Articles 19a or 29a of Directive 2013/34/EU are excluded from the numerator of key performance indicators (KPIs). As a result, green bonds issued by Small and Medium-sized Enterprises (SMEs), financing of renewable energy projects (e.g., wind farms), as well as loans granted to such entities, have been excluded from the KPI numerator.

In the denominator (in assets covered by the KPI), derivative instruments included in the assets of the Financial Statement were taken into account, without offsetting them against liabilities from derivative instruments (liabilities).

It was assumed that since Article 7(4) of the Delegated Disclosure Act refers exclusively to green bonds and green debt securities, the provisions of this article should not be broadly interpreted to include other forms of investments, such as loans granted for this purpose. It was concluded that Article 7(4) of the Delegated Disclosure Act is not a special provision in relation to Article 7(3) of the same Act.

Article 7(4) was assumed to apply to the situation where an undertaking subject to non-financial reporting (under Article 7(3)) issues environmentally sustainable bonds. In this case, their revenues were taken into account up to the full amount, rather than as an overall indicator of compliance with the EU Taxonomy for the undertaking's activities.

In the scope of Taxonomy-eligible activities (Taxonomy eligibility), instead of revenue (REVENUE) and capital expenditures (CAPEX), Green Asset Ratio (GAR) indicators were adopted in the form of GAR_REVENUE and GAR_CAPEX. For investments in insurance companies, instead of revenue (REVENUE) and capital expenditures (CAPEX), Green Investment Ratio (GIR) indicators were used in the form of GIR_REVENUE and GIR_CAPEX. In cases where a GIR indicator was not available for a given insurance company, the Green Underwriting Ratio (GUR) was adopted. It was recognized that GIR is the most appropriate indicator for insurance companies, given the large scale of their investments. However, in the unlikely absence of this indicator, the secondary KPI for the insurance company, GUR, would be considered.

Financial enterprises are defined in Article 1(8) of the Delegated Disclosure Act. Entities that provide other financial services but do not meet the criteria of this definition were classified as non-financial enterprises. The classification was based on Bloomberg data, considering detailed sub-sectors within the Financials sector.

Enterprises subject to Articles 19a and 29a of Directive 2013/34/EU, meaning those obligated to report non-financial sustainability information, were identified based on data from external sources. For Polish enterprises, the Instrat Foundation database was used. For enterprises from other countries, Bloomberg data was utilized, with the assumption that an enterprise is subject to non-financial reporting obligations if it employs more than 500 employees according to Bloomberg data. No additional verification was conducted in this regard.

As part of reporting the breakdown of the KPI numerator by environmental objective, transitional activities and enabling activities were reported without differentiation between climate objectives (climate change mitigation (CCM) and climate change adaptation (CCA)). The data was sourced from Bloomberg.

The data for Loans receivable from clients, prepared by the banks in the PZU Group, were included in the consolidated report. The data was prepared in accordance with the principles set out in Annexes V-VI of the Delegated Disclosure Act.

Unit-linked insurance fund

According to Annex IX of the Delegated Disclosure Act, additional disclosures distinguish the percentage share of investments related to life insurance contracts where the investment risk is borne by policyholders and the percentage share of other investments. Investments related to life insurance contracts where the investment risk is borne by policyholders include, among others, life insurance with an unit-linked insurance fund (Polish: UFK).

As indicated above, the look-through approach was applied, taking into account all investments held within investment fund portfolios, where participation units or shares are included in UFK portfolios.

Real estate investments

As indicated above, real estate properties were analyzed for EU Taxonomy compliance based on their inclusion in the following balance sheet asset categories:

- tangible fixed assets;
- assets held for sale.

Given the list of real estate investments shows, the verification of Taxonomy alignment is based on Taxonomy verification provisions under Section 7.7 of the Climate Delegated Act in conjunction with Article 3 of the Taxonomy Regulation (exercise of property rights in real estate).

Verification whether the aforementioned technical screening criteria are met is based on the building's energy performance certificates and/or primary energy demand (PED) and, with respect to the adaptation goal, on the verification of physical risks.

Furthermore, it was assumed that for real estate assessments, real estate-specific indicators would be used rather than turnover (REVENUE) or capital expenditures (CAPEX), which do not apply to real estate. Real estate has its own criteria and indicators for EU Taxonomy compliance. Investments are presented using the look-through approach, meaning that the relevant investments are real estate properties (buildings) owned by individual companies within PZU Group, including special purpose entities belonging to the PZU FIZAN Real Estate Sector 2 fund.

The EU Taxonomy compliance indicator calculated for a given real estate property is shown in both the revenue (REVENUE) and capital expenditure (CAPEX) categories.

Only buildings that have already obtained an occupancy permit or another decision with a similar effect were assessed, even if it applied only to a small part of the building. Similarly, warehouse parks were assessed using the same criteria. It was also conservatively assumed that if even one of the buildings in the warehouse park did not meet the requirements of Section 7.7 of the Climate Delegated Act, then the entire warehouse park was assessed as not EU Taxonomy-aligned.

Banks

Banks (credit institutions) within the PZU Group disclose in their non-financial statements the Green Asset Ratio (GAR) calculated in accordance with Annexes V-VI to the Disclosure Delegated Act. These ratios have been published in the banks' reports. As indicated above, according to the adopted consolidation method for the purposes of fulfilling obligations under the Disclosure Delegated Act, consolidated entities are treated as “transparent”. This also applies to Bank Pekao and Alior Bank. Therefore, the loans and investments of PZU Group banks are shown in the GIR. The data for calculations was provided by the banks in accordance with Annexes IX-X of the Delegated Disclosure Act, to effectively carry out the data consolidation process into a single GIR indicator. The data related to PZU Group banks, specifically the Loans receivable from clients, have been included as part of the GIR at the consolidated level.

Private Equity

PZU and PZU Życie invest in private equity funds based abroad. Most private equity funds are not subject to Articles 19a and 29a of Directive 2013/34/EU, meaning they are not obligated to non-financial reporting, including publishing data on the compliance of their activities with the EU Taxonomy.

For private equity funds, the look-through approach was not applied. This is justified by the fact that the entities in which these funds make investments are also, for the most part, not required to carry out non-financial reporting. A significant portion of both funds and portfolio companies are headquartered outside the EU.

Some funds report selected ESG data on a voluntary basis. However, due to the nature of this asset class, there is a great deal of variation among portfolio funds in reporting, data quality and the level of implementation of ESG policies. Some funds are compliant with Article 8 SFDR, which means that their investment policy takes ESG criteria into account in investment decisions, although they are not central to them. Most private equity funds have ESG policies in place, but there is wide variation in this area as well.

Nevertheless, the issue of ESG reporting and implementing best practices in ESG is becoming an important issue that the private equity market is gradually grappling with. Funds are compliant with Article 8 and 9 SFDR and taking ESG criteria into account in making investment decisions increasingly often. The scale of a fund's operations directly impacts the pace of changes and the introduction of new ESG procedures. Currently, there are no clear guidelines that would allow an objective assessment which funds are better at fulfilling ESG reporting obligations.

Additionally, the private equity portfolio has a relatively small exposure within PZU’s investment asset structure. The PZU Group expects to improve data quality in the coming years.

Activities related to nuclear energy and natural gas

The indicators for PZU Group in the scope of activities related to nuclear energy and natural gas are presented separately for revenue (REVENUE) and separately for capital expenditures (CAPEX).

Key Performance Indicators for individual business segments

Since the PZU Group is a financial conglomerate, KPIs for individual segments are disclosed:

- insurance segment – the KPI for this segment is the Green Investment Ratio (GIR), calculated in accordance with Annex IX of the Disclosures Delegated Act and presented in accordance with Table 2 of Annex X of the Disclosures Delegated Act;
- banking segment – the KPI for this segment is the Green Asset Ratio (GAR), calculated in accordance with Annex V of the Disclosures Delegated Act and presented in accordance with Table 2 of Annex VI of the Disclosures Delegated Act;
- asset management segment – the KPI for this segment is the Green Investment Ratio (GIR), calculated in accordance with Annex III of the Disclosures Delegated Act and presented in accordance with the table in Annex IV of the Disclosures Delegated Act.

Taxonomy - Additional Information[9]

Nature and purpose of the business activities in accordance with the systematic (EU Taxonomy)

The non-life insurance and reinsurance segment is a business activity carried out by the PZU Group entities and is subject to legal regulations, including the requirements of the EU Taxonomy framework. The life insurance segment is not covered by the EU Taxonomy requirements.

Moreover, PZU Group entities conduct investment-related activities, for regulated companies subject to the limitations provided for by law. PZU Group entities place funds in a wide catalog of asset classes and financial instruments. PZU Group does not rely on the EU Taxonomy compliance indicators when making investments. The exposure of the PZU Group to business activities aligned with the EU Taxonomy depends on the current composition of the investment portfolio and on the indicators of compliance with the EU Taxonomy of the entities in which the investment was made.

PZU Group has not accepted restrictions on financing any specific sector, including strategic sectors, or any specific entities, including SMEs. Therefore, these specific sectors and entities are also still funded by PZU Group entities.

In the concluded life insurance contract with the Unit-linked insurance fund (pl. UFK), the policyholder selects the Unit-linked insurance fund in which he/she wishes to allocate funds from the insurance premium. These decisions affect the composition of the PZU Group's investment portfolio and the exposure of the PZU Group to business activities aligned with the EU Taxonomy.

Development in line with systematic business activities (EU Taxonomy): business related elements

Compared to the statement for 2024, PZU Group green investment ratios (GIR) increased, both in terms of turnover and in terms of capital expenditures. This increase was not due to investment decisions, because as indicated, PZU Group does not rely on the alignment of investments with the EU Taxonomy indicators, and in terms of life insurance contracts where the insured bears the investment risk (life insurance with the Unit-linked insurance fund), Policyholder is responsible for the choice of the Unit-linked insurance fund in which they want to allocate the funds derived from the insurance premium. The increase in green investment rates may have been due to the holdings of the investment portfolio at a particular point in time, or the fact that more of the companies in which the investments were made have operations in line with EU Taxonomy.

Growing in a business consistent with systematic (EU Taxonomy): methodical elements

In accordance with Article 10(7) of the Disclosures Delegated Act, as of 1 January 2026, the KPIs of financial undertakings shall include exposure to Taxonomy-aligned activities for four environmental objectives and new types of activities under the two climate objectives. In 2025, only exposure to Taxonomy-eligible activities in respect of those objectives and activities was disclosed.

Apart from the above change, no changes to methodological elements were introduced in the disclosure for 2025 compared to the disclosure for 2024.

Growing in a business that is consistent with systematic (EU Taxonomy): data elements

Compared to the statement for 2024, there was an improvement in the quality of data reported by the entities in which the investments were made, including a more uniform interpretation of individual fields in reports and indicators.

Description of compliance with Regulation (EU) 2020/852 in the financial company's business strategy, product design processes, and customer and counterparty collaboration

Achieving stable financial results while respecting the principles and values of sustainable development is a value that accompanies the PZU Group in its business activities.

The PZU Group's strategy for 2025–2027 integrates sustainability elements directly into business operations The obligations arising from the Taxonomy in business are implemented through the perspective of the PZU Group as a partner in the green transition. PZU Group understands that in order to stop climate change, it is necessary to move to a low-carbon economy. The Group also implements the Taxonomy objectives by actively and practically supporting customers through products addressed to both corporate and individual customers. The PZU Group does not have a separate ESG strategy.

In the product area, PZU Group develops an insurance offering to support the energy and climate transformation, ensuring that it introduces the products that are appropriate to the needs of customers and take into account climate risk.

The PZU Group has not incorporated compliance with Regulation (EU) 2020/852 into its business strategy in the area of investments. The processes for designing investment products, as well as the principles governing cooperation with customers and counterparties in the area of investments, also do not include conditions for compliance with that Regulation.

Product design processes

PZU has product solutions that address changing environmental needs, climate change and contribute to the transition to a low-carbon economy. That's why there are products and services available to businesses investing in renewable energy sources that support decarbonization: among others, low-carbon transport, environmentally friendly photovoltaics, heat pumps, small and large wind power plants. The PZU Group is developing its portfolio of services for customers by addressing their needs related to environmental protection and the mitigation of climate risks.

An element accompanying the design of products for customers is the assessment of their compliance with the technical screening criteria set out in the EU Taxonomy.

9) Clarifications on the nature and purposes of business activities in accordance with the systematic (EU Taxonomy) and development during business activities in accordance with the systematic (EU Taxonomy) starting from the second year of implementation, with distinction between business elements and methodical elements and data elements

Working with customers and counterparties

PZU Group supports initiatives aimed at protecting the environment, as well as entities that undergo energy transformation, including, but not limited to:

- financial market participants – the PZU Group expands its offering of investment funds to include funds that take ESG factors into account;
- retail customers – the PZU Group develops its insurance offering to address climate risks, tailored to customer needs;
- corporate clients – the PZU Group supports entities undertaking measures conducive to sustainable energy transition and conducts ESG assessments of key corporate clients;
- non-governmental organizations – the PZU Group wants to be a partner in social, economic and climate activities.

Additional or supplemental information regarding the financial company strategy and the importance of funding a systematic activity (EU Taxonomy) in the overall business activity of the company

Since the announcement of the ESG strategy in 2021, PZU Group has joined a number of large onshore wind projects and engaged in their financing. The increase in investment in green transformation has also become one of the main pillars of the 2027 PZU Group Strategy.

Insurance and reinsurance - Quantitative disclosures - PZU

PZU	Substantial contribution to climate change adaptation			DNSH criteria (Do No Significant Harm)					
Economic activities (1)	Absolute premiums, year 2025 (2)	Proportion of premiums, year 2025 (3)	Percentage share of revenue, year 2024 (4)	Climate Change mitigation (5)	Water and Marine resources (6)	Pollution (7)	Circular Economy (8)	Biodiversity and Ecosystems (9)	Minimum Safeguards (10)
	PLN million	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	1,287	7.39%	7.22%	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	111	0.63%	0.88%	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activity	42	0.24%	0.36%	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	29	0.16%	0.23%	Y	Y	Y	Y	Y	Y
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	3,815	21.89%	22.41%						
B. Non-life insurance and reinsurance underwriting – Taxonomy-non-eligible activities	12,322	70.72%	70.37%						
Total (A.1 + A.2 + B)	17,424	100.00%	100.00%						

Insurance and reinsurance - Quantitative disclosures - PZU Group

PZU Group	Substantial contribution to climate change adaptation			DNSH criteria (Do No Significant Harm)					
Economic activities (1)	**Absolute premiums, year 2025 (2)**	**Proportion of premiums, year 2025 (3)**	**Percentage share of revenue, year 2024 (4)**	**Climate Change mitigation (5)**	**Water and Marine resources (6)**	**Pollution (7)**	**Circular Economy (8)**	**Biodiversity and Ecosystems (9)**	**Minimum Safeguards (10)**
	million PLN	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	1,409	6.43%	5.90%	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	145	0.66%	0.79%	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activity	0	0.00%	0.01%	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	29	0.13%	0.19%	Y	Y	Y	Y	Y	Y
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	5,195	23.70%	24.64%						
B. Non-life insurance and reinsurance underwriting – Taxonomy-non-eligible activities	15,314	69.87%	69.46%						
Total (A.1 + A.2 + B)	21,918	100.00%	100.00%						

Investments - Quantitative disclosures - PZU Group

Green Investment Ratio (GIR)

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 1).			
	Percentage value		**Amount (PLN million)**
The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	1.92%	Turnover-based:	6,520
Capital expenditures-based:	2.27%	Capital expenditures-based:	7,714
The percentage of assets **covered by the KPI relative to total investments** (total AuM). Excluding investments in state entities. (Coverage ratio):	76.13%	The monetary value of assets covered by the KPI. Excluding investments in state entities. (Coverage ratio):	340,158

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 1).			
Additional, complementary disclosures: breakdown of denominator of the KPI	**Percentage value**		**Amount (PLN million)**
The percentage of derivatives relative to total assets covered by the KPI.	0.68%	The value in monetary amounts of derivatives.	2,299
The proportion of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	33.96%	For non-financial undertakings:	115,525
For financial undertakings:	9.38%	For financial undertakings:	31,892
The proportion of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	1.66%	For non-financial undertakings:	5,632
For financial undertakings:	0.25%	For financial undertakings:	866
The proportion of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	5.30%	For non-financial undertakings:	18,035
For financial undertakings:	1.11%	For financial undertakings:	3,761
The proportion of **exposures to other counterparties** over total assets covered by the KPI	41.92%	Value of **exposures to other counterparties and assets**:	142,591
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	
Turnover-based:	1.50%	Turnover-based:	5,117
Capital expenditures-based:	1.77%	Capital expenditures-based:	6,022
The value of all the investments that are funding **economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	25.64%	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible**:	87,231
The value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	25.64%	Value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned**:	87,277

Disclosures under Annex X to the Disclosures Delegated Act

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 2).

Additional, complementary disclosures: breakdown of numerator of the KPI	Percentage value		Amount (PLN million)
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings		For non-financial undertakings	
Turnover-based:	0.38%	Turnover-based:	1,298
Capital expenditures-based:	0.73%	Capital expenditures-based:	2,466
For financial undertakings		For financial undertakings	
Turnover-based:	0.00%	Turnover-based:	6
Capital expenditures-based:	0.00%	Capital expenditures-based:	8
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	
Turnover-based:	1.50%	Turnover-based:	5,117
Capital expenditures-based:	1.77%	Capital expenditures-based:	6,022
The proportion of **Taxonomy-aligned exposures to other counterparties** in over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI**	
Turnover-based:	1.53%	Turnover-based:	5,188
Capital expenditures-based:	1.53%	Capital expenditures-based:	5,188

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 3).				
Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities – provided 'do-not-significant-harm' (DNSH) and social safeguards positive assessment: (percentage)				
1) Climate change mitigation	Turnover:	1.90%	Transitional activities A (Turnover)	0.00%
	CapEx:	2.27%	Transitional activities A (CapEx)	0.02%
			Enabling activities: B (Turnover)	0.18%
			Enabling activities: B (CapEx)	0.36%
2) Climate change adaptation	Turnover:	0.18%	Enabling activities: B (Turnover)	0.01%
	CapEx:	0.18%	Enabling activities: B (CapEx)	0.01%
3) Sustainable use and protection of water and marine resources	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
4) Transition to a circular economy	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
5) Pollution prevention and control	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
6) Protection and restoration of biodiversity and ecosystems	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%

Activities related to nuclear energy and natural gas

[Template 1] Nuclear and fossil gas related activities

Nuclear energy related activities

1.1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
1.2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
1.3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES

Fossil gas related activities

1.4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
1.5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
1.6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Disclosures Based on the Key Performance Indicator of the Counterparty Based on Turnover

[Template 2] Taxonomy-aligned economic activities (denominator)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
2.1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27	0.01%	27	0.01%	0	0.00%
2.4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,082	1.79%	6,060	1.78%	22	0.01%
2.8	Total applicable KPI	6,110	1.80%	6,088	1.79%	22	0.01%

[Template 3] Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
3.1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	27	0.41%	27	0.41%	0	0.00%
3.4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	6,028	92.45%	6,007	92.12%	21	0.32%
3.8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	6,055	93.86%	6,034	92.54%	21	0.32%

[Template 4] Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
4.1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.00%	17	0.00%	0	0.00%
4.5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	31	0.01%	31	0.01%	0	0.00%
4.6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.00%	5	0.00%	0	0.00%
4.7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	88,908	26.14%	88,466	26.01%	441	0.13%
4.8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	88,961	26.15%	88,520	26.02%	441	0.13%

Disclosures under Annex XII to the Disclosures Delegated Act

[Template 5] Taxonomy non-eligible economic activities

	Economic activities	Amount (m PLN)	Percentage
5.1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
5.4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
5.5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	69,495	20.43%
5.8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’	69,496	20.43%

Disclosures Based on the Key Performance Indicator of the Counterparty Based on Capital Expenditures

[Template 2] Taxonomy-aligned economic activities (denominator)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
2.1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	0	0.00%
2.3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	36	0.01%	19	0.01%	16	0.00%
2.4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.00%	2	0.00%	1	0.00%
2.5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,302	2.15%	7,267	2.14%	35	0.01%
2.8	Total applicable KPI	7,341	2.16%	7,289	2.14%	52	0.02%

Disclosures under Annex XII to the Disclosures Delegated Act

[Template 3] Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
3.1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.01%	1	0.01%	0	0.00%
3.3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	35	0.45%	19	0.24%	16	0.21%
3.4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.03%	2	0.02%	1	0.01%
3.5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,240	93.86%	7,207	93.42%	34	0.44%
3.8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	7,279	94.35%	7,228	93.70%	51	0.66%

[Template 4] Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (m PLN)	%	Amount (m PLN)	%	Amount (m PLN)	%
4.1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	123	0.04%	123	0.04%	0	0.00%
4.5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	49	0.01%	49	0.01%	0	0.00%
4.6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.00%	15	0.00%	0	0.00%
4.7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	86,403	25.40%	86,042	25.29%	361	0.11%
4.8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	86,590	25.46%	86,229	25.35%	361	0.11%

Disclosures under Annex XII to the Disclosures Delegated Act

[Template 5] Taxonomy non-eligible economic activities

	Economic activities	Amount (m PLN)	Percentage
5.1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.00%
5.3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	66,487	19.55%
5.8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’	66,489	19.55%

KPIs for the insurance segment

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments, In relation to total investments (part 1)			
	Percentage value		**Amount (PLN million)**
The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	4.68%	Turnover-based:	900
Capital expenditures-based:	7.31%	Capital expenditures-based:	1,405
The percentage of assets **covered by the KPI relative to total investments** (total AuM). Excluding investments in state entities. (Coverage ratio):	26.72%	The monetary value of assets covered by the KPI. Excluding investments in state entities. (Coverage ratio):	19,236

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 1).			
Additional, complementary disclosures: breakdown of denominator of the KPI	**Percentage value**		**Amount (PLN million)**
The percentage of derivatives relative to total assets covered by the KPI.	2.11%	The value in monetary amounts of derivatives.	406
The proportion of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	26.72%	For non-financial undertakings:	5,140
For financial undertakings:	11.78%	For financial undertakings:	2,266
The proportion of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	22.41%	For non-financial undertakings:	4,311
For financial undertakings:	4.50%	for financial undertakings:	866
The proportion of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	45.39%	For non-financial undertakings:	8,731
For financial undertakings:	13.97%	For financial undertakings:	2,687
The proportion of **exposures to other counterparties** over total assets covered by the KPI	0.00%	Value of **exposures to other counterparties and assets**:	0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	
Turnover-based:	4.23%	Turnover-based:	814
Capital expenditures-based:	6.41%	Capital expenditures-based:	1,233
The value of all the investments that are funding **economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	34.30%	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible**:	6,599
The value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	3.98%	Value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned**:	766

KPIs for the insurance segment based on the Commission's notice

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 2).

Additional, complementary disclosures: breakdown of numerator of the KPI	Percentage value		Amount (PLN million)
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:		For non-financial undertakings:	
Turnover-based:	4.53%	Turnover-based:	872
Capital expenditures-based:	7.03%	Capital expenditures-based:	1,353
For financial undertakings:		For financial undertakings:	
Turnover-based:	0.00%	Turnover-based:	0
Capital expenditures-based:	0.00%	Capital expenditures-based:	0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	
Turnover-based:	4.23%	Turnover-based:	814
Capital expenditures-based:	6.41%	Capital expenditures-based:	1,233
The proportion of **Taxonomy-aligned exposures to other counterparties** in over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI**	
Turnover-based:	0.00%	Turnover-based:	0
Capital expenditures-based:	0.00%	Capital expenditures-based:	0

KPIs for the insurance segment based on the Commission's notice

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 3).				
Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment: (percentage)				
1) Climate change mitigation	Turnover:	1.83%	Transitional activities A (Turnover)	0.04%
	CapEx:	4.47%	Transitional activities A (CapEx)	0.25%
			Enabling activities: B (Turnover)	1.45%
			Enabling activities: B (CapEx)	2.59%
2) Climate change adaptation	Turnover:	2.95%	Enabling activities: B (Turnover)	0.16%
	CapEx:	2.95%	Enabling activities: B (CapEx)	0.17%
3) Sustainable use and protection of water and marine resources	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
4) Transition to a circular economy	Turnover:	0.03%	Enabling activities: B (Turnover)	0.02%
	CapEx:	0.04%	Enabling activities: B (CapEx)	0.01%
5) Pollution prevention and control	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
6) Protection and restoration of biodiversity and ecosystems	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%

KPIs for the insurance segment based on the Commission's notice

KPIs for the banking segment

PLN million		Total environmentally sustainable assets	Turnover KPI	CapEx KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	5,664	1.74%	1.95%	71.25%	37.27%	28.75%

PLN million		Total environmentally sustainable activities	Turnover KPI	CapEx KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
	GAR (flow)	1,540	1.43%	1.58%	50.60%	50.20%	18.13%
Additional KPIs	Financial guarantees	116	0.51%	0.67%			
	Assets under management	379	5.92%	10.08%			

KPIs for the asset management segment

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments (Part 1)			
	Percentage value		**Amount (PLN million)**
The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	5.28%	Turnover-based:	3,982
Capital expenditures-based:	9.63%	Capital expenditures-based:	7,262
The percentage of assets **covered by the KPI relative to total investments** (total AuM). Excluding investments in state entities. (Coverage ratio):	59.70%	The monetary value of assets covered by the KPI. Excluding investments in state entities. (Coverage ratio):	75,438

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments (Part 1)			
Additional, complementary disclosures: breakdown of denominator of the KPI	**Percentage value**		**Amount (PLN million)**
The percentage of derivatives relative to total assets covered by the KPI.	1.02%	The value in monetary amounts of derivatives.	772
The proportion of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to EU financial and non-financial undertakings **not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	22.57%	For non-financial undertakings:	17,029
For financial undertakings:	5.42%	For financial undertakings:	4,087
The proportion of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings **from non-EU countries not subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	7.12%	for non-financial undertakings:	5,371
For financial undertakings:	1.00%	For financial undertakings:	747
The proportion of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to **financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	40.92%	For non-financial undertakings:	30,363
For financial undertakings:	29.52%	For financial undertakings:	22,266
The proportion of **exposures to other counterparties** over total assets covered by the KPI	0.00%	Value of **exposures to other counterparties and assets**:	0
The value of all the investments that are funding **economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	62.20%	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible**:	46,920
The value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	5.18%	Value of all the investments that are funding **Taxonomy-eligible** economic activities, but **not Taxonomy-aligned**:	3,905

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 2).			
Additional, complementary disclosures: breakdown of numerator of the KPI	**Percentage value**		**Amount (PLN million)**
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject** to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings		For non-financial undertakings	
Turnover-based:	3.37%	Turnover-based:	2,540
Capital expenditures-based:	7.02%	Capital expenditures-based:	5,293
For financial undertakings:		For financial undertakings:	
Turnover-based:	0.14%	Turnover-based:	106
Capital expenditures-based:	0.16%	Capital expenditures-based:	120
The proportion of **Taxonomy-aligned exposures to other counterparties** in over total assets covered by the KPI		Value of **Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI**	
Turnover-based:	0.00%	Turnover-based:	0
Capital expenditures-based:	0.00%	Capital expenditures-based:	0

KPIs for the asset management segment based on the Commission's notice

The percentage share of investments of an insurance or reinsurance undertaking that are directed at financing Taxonomy-aligned economic activities or are associated with such activities, relative to total investments (Part 3).				
Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment: (percentage)				
1) Climate change mitigation	Turnover:	3.5%	Transitional activities A (Turnover)	0.17%
	CapEx:	9.4%	Transitional activities A (CapEx)	0.47%
			Enabling activities: B (Turnover)	2.77%
			Enabling activities: B (CapEx)	5.02%
2) Climate change adaptation	Turnover:	0.11%	Enabling activities: B (Turnover)	0.10%
	CapEx:	0.23%	Enabling activities: B (CapEx)	0.10%
3) Sustainable use and protection of water and marine resources	Turnover:	0.01%	Enabling activities: B (Turnover)	0.01%
	CapEx:	0.01%	Enabling activities: B (CapEx)	0.01%
4) Transition to a circular economy	Turnover:	0.02%	Enabling activities: B (Turnover)	0.01%
	CapEx:	0.02%	Enabling activities: B (CapEx)	0.00%
5) Pollution prevention and control	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%
6) Protection and restoration of biodiversity and ecosystems	Turnover:	0.00%	Enabling activities: B (Turnover)	0.00%
	CapEx:	0.00%	Enabling activities: B (CapEx)	0.00%

KPIs for the asset management segment based on the Commission's notice

Aggregated Key Performance Indicator

Aggregated Key Performance Indicator

Pursuant to the Commission Notice dated 8 November 2024, to meet consolidated group level reporting requirements and facilitate disclosure of systematic information by investors and creditors, the reporting parent companies should also calculate and publish in the contextual information disclosed, referred to in Annex XI to the Delegated Disclosure Act, group level consolidated key performance indicator in the form of weighted average relevant key performance indicators for, if applicable, asset management, banking activities, investment as well as insurance and reinsurance, calculated using weights corresponding to the percentage of turnover obtained from a given business type in the consolidated total turnover of the conglomerate.

Due to PZU Group's recognition as a financial conglomerate, KPIs for non-financial companies were omitted.

Due to a very low share of PZU Group revenues, KPIs for investment companies were also omitted.

Key Performance Indicator per industry segments - to calculate weights, the following percentage of turnover (revenue) obtained from a given type of business (segment) in the consolidated total turnover (revenue - chapter 8.2.4) PZU Group:

Business segment	Revenue (PLN million)	Share in total PZU Group revenue (A)	Key Performance Indicator based on turnover (B)	Key Performance Indicator Based on Capex (C)	Weighted Key Performance Indicator Based on Turnover (A*B)	Weighted Key Performance Indicator Based on Capex (A*C)
Asset management	952	1.38%	5.28%	9.63%	0.07%	0.14%
Credit institution (bank)	29,115	42.26%	1.74%	1.95%	0.73%	0.84%
Investment firm (brokerage)	44	0.06%				
Insurance companies	35,056	50.88%	4.68%	7.31%	2.38%	3.72%
Non-financial enterprises	3,763	5.46%				
Look through	-26	-0.04%				
Total	68,903	100.00%				
Average Key Performance Indicator					3.19%	4.67%

Minimum safeguards

Minimum safeguards under EU Delegated Regulation 2020/852 (EU Taxonomy Regulation)[10] are one of the criteria for determining whether an activity is environmentally sustainable. Pursuant to Article 3 the EU Taxonomy requires the entity to comply with the principles of minimum safeguards, i.e. act according to international social and ethical standards, in order to qualify for sustainable business activities classification. Pursuant to Article 18 of the Regulation, the minimum safeguards are the procedures used by the company to ensure compliance with:

- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights (UNGPs).

Realization of minimum safeguards in PZU and PZU Group in 2025

PZU and its subsidiaries operating in compliance with the EU Taxonomy comply with the principle of minimum safeguards, as indicated by the Sustainability Platform and the Commission's notice in question.

In the PZU Group insurance and reinsurance companies, the minimum safeguards are tested in terms of own and investment activities.

In 2022, PZU joined the United Nations Global Compact (UNGC) and thereby committed to the 10 UNGC Principles on human rights, labor standards, the environment, and anti-corruption, which are designed to support businesses in contributing to the United Nations Sustainable Development Goals.

Human rights

The PZU Group implements a human rights due diligence process in accordance with the six-step approach described in the OECD Guidelines for Multinational Enterprises. The PZU Group has established a Human Rights Policy and conducts an impact assessment aimed at identifying potential adverse impacts. If adverse impacts are identified, the PZU Group takes actions aimed at mitigating and remedying the situation. The PZU Group provides channels for reporting violations, and each report is analyzed in accordance with internal procedures. Ongoing monitoring covers both reports obtained internally within the PZU Group and those from reliable external sources, including notifications from the OECD National Contact Point. The final stage of the process involves publicly informing stakeholders about identified human rights violations as part of sustainability reporting. The PZU Group reviews its internal regulations in the area of human rights in order to improve them.

The PZU Group adopted its "Human Rights Policy" through a Management Board resolution on April 7, 2021. In 2023, this policy was updated to include a declaration of adherence to international human rights guidelines as specified in Article 18 of the EU Taxonomy Regulation.
The "Human Rights Policy" is available on PZU's website: https://www.pzu.pl/grupa-pzu/zrownowazony-rozwoj/polityki-i-raporty

Entities within the PZU Group have adopted the "Human Rights Policy", thereby committing to uphold human rights in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Notably, both the Pekao Group and the Alior Group have their own policies addressing the respect for human rights.

Counteracting human rights violations

The PZU Group also has a "Procedure for Addressing Human Rights Violations", described in detail in the Management of own workforce section. Both the Pekao Group and the Alior Group maintain separate procedures in this area.

In 2025, PZU and PZU Group entities were not subject to:

- final and unappealable court convictions of labor law or human rights violations;
- cases before the OECD National Contact Point (OECD NCP) related to human rights violations;
- allegations before the Business and Human Rights Resource Center.

10 According to the EU Sustainable Funding Platform Report on Minimum Safeguards in EU Taxonomy (Final Report on Minimum Safeguards, October 2022)

Employee safety

Employee comfort and safety also include preventing all forms of violence and harassment in the workplace. For this purpose, the Group implements anti-mobbing and anti-discrimination policies, ensures mechanisms for reporting violations, and provides protection against discrimination and mobbing. Educational activities and training on the prevention of harassment are organized, and in the event of a reported incident, internal investigations are conducted.

Digital security and data protection

The PZU Group complies with data protection regulations (GDPR), applies technical and organizational safeguards to protect data, and ensures transparency in data processing and access to information on how data is used.

Transparency of operations

The PZU Group entities have internal processes and procedures related to anti-corruption management. The entities conduct reviews of internal regulations in the area of corruption risk management to assess their accuracy. This topic is described in detail in [G1-3] Prevention and detection of corruption and bribery.

The application of these regulations within the PZU Group ensures compliance with the OECD Guidelines for Multinational Enterprises, which include twelve guidelines in the fields of corruption and competition. The Group conducts business operations in a responsible and ethical manner, with respect for the interests of individuals, society, and the environment. The PZU Group promotes awareness of competition law, based on standards derived from the recommendations of antitrust authorities - including the European Commission, the President of the Office of Competition and Consumer Protection (UOKiK) and international non-governmental organizations such as the Competition Commission of the International Chamber of Commerce (ICC) and the OECD. An example of such an initiative is the "Anti-Corruption Program" implemented in PZU. Other entities within the PZU Group implement their own initiatives in this area.

Another example of implementing actions supporting the principles of fair competition is the "Compliance Program for Competition and Consumer Law" in PZU. Its purpose is to support the maintenance of compliance with statutory, executive, and internal regulatory provisions applicable to the products and services of the PZU Group, as well as to ensure effective employee training in this area. The program is intended to prevent and detect violations of the law, including competition law and consumer law.

Compliance with competition law

In the PZU Group, internal regulations regarding compliance with competition law have been adopted as a permanent element of corporate culture. PZU has adopted and applies the “Guidelines on Competition”, while other PZU Group entities address this area within their own internal procedures. These regulations define, among other matters, relations with competitors and intermediaries, anti-competitive agreements, and the principles of cooperation between insurance undertakings.

In 2025, no final court judgment was issued against PZU or the Group companies in relation to a corruption case or in the area of infringement of competition law.

In 2025, there was no final and unappealable judgment for PZU and the PZU Group entities by the Provincial Administrative Court or the Supreme Administrative Court confirming a violation of tax law.

The Act on Competition and Consumer Protection

Entities within the PZU Group are obliged to comply with the provisions of competition law as set out in the Act of 16 February 2007 on Competition and Consumer Protection, as well as relevant EU regulations. The Act on Competition and Consumer Protection is the primary legal instrument governing competition law in Poland.

Tax strategy

The PZU Group has implemented strategies and processes for managing tax risk in accordance with the requirements of UN and OECD guidelines in this area. The fulfilment of tax obligations is carried out based on applicable tax laws and adopted internal regulations.

In cases where tax law provisions are amended, internal regulations are subject to updates. Entities within the PZU Group apply the current tax legislation until the internal regulations are formally adopted.

The PZU Group entities comply with tax payment deadlines as specified in tax regulations. The PZU Group is one of the largest corporate income taxpayers, as reported by the Ministry of Finance.

Controversial weapons

PZU and its subsidiaries do not conduct any activities related in any way to controversial weapons (landmines, cluster munitions, chemical and biological weapons).

Specific types of controversial weapons are prohibited under international conventions and treaties to which Poland is a signatory. PZU and the PZU Group entities operate in compliance with international law. PZU and the PZU Group entities do not engage in business activities in the area of controversial weapons.

8.3. (S) Social - Employees of PZU Group

[S1.SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

8.3.1. Managing material impacts, risks and opportunities and their interactions with strategy and business model

The own workforce as defined by PZU Group and defined for the purpose of the statement includes:

- employees, i.e., persons employed under employment contracts;
- non-employees, including persons employed under a contract for specific work, a contract of mandate, a contract for the provision of services, an agency contract and a graduate trainee contract.

Persons employed under managerial contracts were not included in the reported indicators, unless otherwise indicated.

In defining key impact areas, opportunities, and risks related to its own workforce, the PZU Group applies an approach consistent with the requirements of the ESRS. The analysis covers both external trends (social, economic, and regulatory changes) and business challenges as well as internal needs. This makes it possible to create a working environment that balances the achievement of business tatgets with responding to employees' needs. The PZU Group influences employees through:

- supporting professional development, including access to development programs, mentoring, while ensuring equal treatment and promotion opportunities;
- protecting employee rights, by ensuring compliance with generally applicable laws and internal equality policies and data protection policy;
- providing appropriate working conditions, including the implementation of occupational health and safety (OHS) policies, ergonomic workplace standards and flexible forms of employment;
- maintaining effective communication channels between employees and management, including employee engagement and trade union representation;
- anti-mobbing procedures implemented for employees in line with good market practices, together with mechanisms for reporting incidents of their breach.

The PZU Group's impact on persons who are not employees is limited and relates mainly to the quality of services provided and compliance with ethical principles.

The results of the DMA, as well as the review of the double materiality assessment and the HR teams' own analyses in 2025, did not identify any material actual negative impacts on employees working within the PZU Group. Nevertheless, the PZU Group is aware of and identifies potential negative impacts, such as overtime work during periods of mass claims, tensions in the area of employee communication and participation. Furthermore, a potential negative impact on the perception of the PZU Group with respect to gender equality within management and supervisory bodies may arise if the indicators required under applicable regulations are not met. The identified potential negative impacts are individual in nature.

The PZU Group implements initiatives that contribute to its positive impact on employees, as identified in the DMA. It carries out activities supporting employee well-being in line with the #DobryStan strategy promoting mental and physical health. It offers a variety of development programs, including training in digital and leadership competencies, and invests in knowledge development through co-financing postgraduate studies. A hybrid work model operates within the PZU Group, and employees may use additional days or hours off work at important moments in their family life. Mechanisms supporting persons returning from parental leave operate within the PZU Group. The internal promotion system and various initiatives create an environment conducive to professional and personal development. Effective communication channels, including satisfaction surveys, enable the identification of employees' needs. Trade union representation and activities aimed at reducing the gender pay gap support equal opportunities.

The above measures translate into a positive impact on the PZU Group's employees and may increase their sense of security and employment stability, improve working comfort, and enable professional development within the PZU Group's structures. Well-being programs may contribute to increased mental and physical resilience and, consequently, to higher satisfaction and engagement. The hybrid work model and flexible working hours support work–life balance, and initiatives in the area of diversity and gender equality build an inclusive culture conducive to cooperation.

Risks and opportunities related to employees

The PZU Group analyzes risks related to its workforce through regular monitoring of working conditions, employees' needs, and the specific nature of actions taken in particular contexts, including crisis situations. This process is based on the Human Capital Management Policy, the HR Strategy for 2025–2027, and the Employee Experience Management (EXM) approach, which enables the identification of factors affecting employee satisfaction. Identified risks include:

- the risk of a shortage of qualified staff, particularly in areas requiring specialized competencies;
- the risk of exceeding the payroll budget, resulting from market pressure and the need to employ highly paid specialists;

- the risk of strikes and protests;
- the risk related to the size and high level of diversity within the PZU Group. The organization employs representatives of four generations, which means more diverse employee needs and the necessity to apply tailored management methods;
- the risk of non-compliance with rules and the occurrence of undesirable behaviors, including mobbing and humiliating conduct.

Opportunities include:

- an internal recruitment system enabling the development of skills and retention of talent within the organization;
- participation in diversity audits and rankings, which provide an opportunity to implement specific actions supporting inclusiveness and improving the working environment;
- strengthening social dialogue as a source of information about employees' expectations regarding remuneration, benefits, and working conditions, as well as the prevention of unequal treatment.

Specific working conditions and occupational groups most exposed to risk

Within the PZU Group, specific working conditions and occupational groups exposed to risk have been identified. These include employees engaged in crisis response activities and employees who work intensively with customers. They are exposed to overtime work and, consequently, to working under time pressure, stress related to the need to act quickly, and stress associated with handling claims.

The PZU Group undertakes mitigating actions and has implemented response procedures that, in crisis situations, ensure flexibility, psychological support, and appropriate occupational health and safety conditions. Training in stress management and communication.

Risk of incidents of forced or compulsory labor and child labor

The PZU Group does not identify operations exposed to the risk of forced or compulsory labor. In addition, the adopted Human Rights Policy of the PZU Group prohibits such practices. Its scope covers employees, contractors, and suppliers. The Human Rights Policy of the PZU Group takes into account the main ILO conventions and UN guidelines.

The PZU Group operates in countries with a high level of protection of labor rights, which minimizes the risk of forced labor. No geographical areas have been identified where such a risk could occur.

The PZU Group conducts its activities in countries where strict legal regulations prohibiting child labor are in force. No geographical areas exposed to the risk of child labor have been identified. The PZU Group does not employ persons under the age of 15 and, in the case of young workers, complies with regulations limiting the type and conditions of work.

[S1-6] Characteristics of the Company's employees

[S1-9] Diversity metrics

8.3.2. Metrics related to own workforce

This subsection presents indicators in the following areas:

- employee statistics by location, gender and age group;
- employee statistics by gender in senior management;
- number of employees who left the company and turnover rate;
- comments on social security and fair pay;
- statistics on non-employees;
- number of work-related incidents and fatalities;
- percentage of employees covered by the occupational health and safety (OHS) management system.

Methodological information: The number of employees includes only persons employed under an employment contract with the entity. Persons performing work under managerial contracts (including members of the management board) as well as persons providing services under civil law contracts or other forms of engagement that do not constitute an employment relationship are not included.

The number of employees is presented in full-time equivalents (EPC or FTE) as of December 31 of the reporting year, unless otherwise noted. Figures for the number of employees in full-time equivalent (EPC or FTE) have been rounded to whole numbers. As a result of rounding, unit data does not add up to the total number of employees.

For the calculation of indicators, the PZU Group included both active and inactive employees (e.g., on long-term sick leave, maternity leave, parental leave), as well as those on replacement contracts. Some of the employees are employed at various PZU Group entities on a part-time basis, according to the parity resulting from the scope of duties. The number of employees does not include those employed on a fractional full-time basis with a salary proportional to the minimum wage, when this form of employment is in addition to the main employment in another PZU Group company.

There are differences in employment figures between the financial statements and sustainability reporting. These are due to the adoption of different counting methodologies. The financial report adopts a methodology for calculating average employment in accordance with the requirements of the Central Statistical Office. The sustainability report adopted the methodology as described in the methodological information.

The PZU Group has a total of 37,719 employees in the consolidated entities in this statement. Of this number, 13,279 are men and 24,440 are women.

At the end of the reporting period, the PZU Group had 35,232 employees in Poland, 1013 in Lithuania, 602 in Latvia and 156 in Estonia, and 716 in Ukraine. Entities from Ukraine were not included in the 2024 report, in accordance with the exclusion applicable to entities that did not materially affect the quality of the sustainability information presented, while at the same time obtaining data from them constituted a significant organizational challenge.

The age structure of the PZU Group employees shows the largest share, 63%, of employees between 30 and 50 years of age, employees over 50 accounted for 26% and employees under 30 years of age for 11%.

In its employment practices, the PZU Group makes significant use of permanent employment covering 33,237 employees. 4,482 employees are employed on a fixed-term basis. The PZU Group employs 31,538 full-time employees and 12,190 part-time employees.

During the reporting period, 4,609 employees terminated their employment with the PZU Group. The turnover rate of employees amounted to 12% including voluntary departures and layoffs. This figure was calculated as the number of departures divided by the number of employees.

Top management positions are represented by 792 employees of PZU Group, including 449 men and 343 women.

Methodological information Senior Management - methodical information:

Senior Management comprises persons holding high-level managerial positions within the organizational structure, responsible for managing and supervising specific areas of activity, whose decisions and actions have a significant impact on the functioning of those areas, while not including decision-making competences reserved for the Management Board.

At the same time, due to the diversity of organizational structures within the PZU Group companies and differences in naming conventions and position levels, this definition is further specified in operational practice by indicating specific roles or positions, which ensures clarity and consistency of interpretation. The PZU Group companies apply different organizational levels.

Employees of the PZU Group by gender

Sex	Number of employees (FTE)		Number of employees (%)		Number of employees (persons)		Number of employees (%)	
	2024	2025	2024	2025	2024	2025	2024	2025
Man	13,190	13,279	35%	35%	15,522	15,542	35%	36%
Woman	24,867	24,440	65%	65%	28,656	28,186	65%	64%
Total Employees	38,058	37,719	100%	100%	44,178	43,728	100%	100%

PZU Group employees by type of employment, working time arrangement, and gender

	Man		Woman		Total	
	2024	2025	2024	2025	2024	2025
Number of permanent employees (FTE)	11,307	11,572	21,741	21,665	33,049	33,237
Number of temporary employees (FTE)	1,883	1,707	3,127	2,775	5,010	4,482
Number of non-guaranteed hours employees (FTE)	0	0	0	0	0	0
Number of full-time employees (head count)	10,842	10,996	20,775	20,542	31,617	31,538
Number of part-time employees (head count)	4,680	4,546	7,881	7,644	12,561	12,190

PZU Group employees by age group

Age group	Number of employees (FTE)		Number of employees (%)	
	2024	2025	2024	2025
< 30 years of age	4,499	4,326	12%	11%
Between 30 and 50 years old	23,722	23,706	62%	63%
> 50 years of age	9,283	9,687	24%	26%

PZU Group employees by country

Country	Number of employees (FTE)		Number of employees (%)	
	2024	2025	2024	2025
Poland	36,327	35,232	95%	93%
Lithuania	976	1,013	3%	3%
Latvia	601	602	2%	2%
Estonia	154	156	0%	0.4%
Ukraine	-	716	-	2%

PZU Group senior management by gender

	Employees in top management positions (FTE)		Employees in top management positions (%)	
	2024	2025	2024	2025
Man	428	449	60%	57%
Woman	281	343	40%	43%
Total Employees	709	792	100%	100%

[S1-10] Adequate wages

Metrics related to adequate wages

All employees working in the entities included in the scope of the statement's consolidation are paid an adequate salary, in accordance with the applicable benchmarks.

[S1-11] Social protection

Metrics related to social protection

In the PZU Group, all employees are covered by full social protection in accordance with the laws of the individual countries in which the PZU Group has employees. Social protection covers a broad spectrum of major life events, including illness, unemployment, parental leave, accidents at work, acquired disability, and retirement. In addition to providing social protection under the regulations, PZU and some entities have additionally covered employees with a system of subsidizing 100% of sick pay if the inability to work is caused by: an illness lasting continuously for at least 35 days, combined with at least one day's hospital stay related to treatment of the effects of the illness (excluding outpatient examinations and outpatient assistance) in an inpatient treatment facility, ascertained by a medical certificate, cancer, tuberculosis, an accident occurring outside working time.

[S1-7] Characteristics of non-employee workers in the undertaking's own workforce

Number of non-employee workers

The PZU Group has adapted the definition of non-employee workers to align with the specifics of its operations. At the same time, due to the lack of uniform tools enabling the collection of precise data, the presented values constitute estimates based on the number of persons performing work under civil law contracts. The PZU Group has made every effort to identify data sources and ensure the completeness of the data provided. However, these figures may not cover all organizational units that engage workers under arrangements other than employment contracts. Data on non-employee workers are presented in the number of persons employed as of December 31, 2025.

	Number of people	
	2024	2025
Individuals performing work under civil law contracts	10,326	12,894
Agents	16,352	16,286
Total number of non-employee workers	26,678	29,180

[S1-8] Collective bargaining coverage and social dialogue

Metrics on the scope of collective bargaining and social dialogue

This metrics varies between the countries of business operations and is presented in the table below.

Collective bargaining and social dialogue are conducted based on local regulations and internal procedures. In none of the PZU Group subsidiaries covered by the statement has an agreement been signed with employees regarding representation by a European Works Council (EWC), a Works Council of a European Company (SE), or a Works Council of a European Cooperative Society (SCE).

	Collective bargaining coverage		Social dialogue
Coverage ratio	Employees - EEA*	Employees - non-EEA	Workplace representation (EEA only)***
0 – 19%	Latvia, Estonia		Latvia
20 – 39%	Poland		
40 – 59%			Poland
60 – 79%			
80 – 100%	Lithuania	Ukraine	Lithuania, Estonia

*) In the case of countries in which the entity has more than 50 employees representing more than 10% of the total number of employees.
**)Estimate for regions in which the entity has more than 50 employees representing more than 10% of the total number of employees.
***) In the case of countries in which the entity has more than 50 employees representing more than 10% of the total number of employees.

[S1-12] Persons with disabilities

Employees with disabilities

Among the PZU Group's workforce, within the analyzed entities, people with disabilities account for 4%. Compared to 2024, the number of employees with disabilities increased by 2%. This figure has been calculated based on voluntary disclosure by employees, in accordance with local legal requirements.

[S1-13] Training and skills development metrics

Metrics on training and skills development

The PZU Group is committed to the development of its workforce, providing an average of 28.2 hours of training per employee annually.

Gender	Average training hours	
	2024	2025
Man	31.2	25.5
Woman	37.6	29.8
Total Employees	35.3	28.2

Additionally, 86% of employees participated in regular performance and career development reviews. The PZU Group has adopted the general definition applied in ESRS, which defines a performance review as an evaluation of an employee's performance conducted by management, the HR department, or colleagues at least once a year. This definition has been appropriately adapted to the individual programs implemented within the various PZU Group entities.

Gender	Percentage of employees who participated in regular performance and career development reviews	
	2024	2025
Man	91%	87%
Woman	87%	85%
Total Employees	88%	86%

[S1-14] Health and safety metrics

Health and safety metrics

During the reporting period, 87 workplace accidents were recorded among our own workforce. The reported workplace accident rate was 1.54 per million hours worked. The occupational health and safety system and metrics monitoring covers employees of all PZU Group companies. Non-employees and employees in the value chain are not covered by the OHS system and are not included in the monitoring of OHS metrics. The PZU Zdrowie companies are not covered by the OHS data reporting system.

Indicator	Unit	2024	2025
Percentage of workforce covered by the health and safety management system	%	100	100%
Number of fatalities due to work-related injuries and work-related ill health	#	0	0
Number of recordable work-related accidents in the undertaking's own workforce	#	56	87
Rate of recordable work-related accidents	Per million hours worked	0.97	1.54
Number of recordable work-related ill health cases	#	7	7
Number of days lost due to work-related injuries, fatalities, or work-related ill health	#	3,228	3600

[S1-15] Work-life balance metrics

Metrics on work-life balance

Among those classified as leave for family reasons are maternity leave, parental leave, caregiver leave, and special leave. In 2025, 25% of employees took such leave. All employees of the PZU Group are entitled to family-related leave based on local labor regulations in the countries where PZU Group entities operate.

Methodological information: for the purposes of this standard, these terms are defined as follows:

(a) maternity leave: employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption); maternity leave includes all leave related to motherhood, i.e., maternity leave, parental leave, and childcare leave. Leave to care for a healthy child is also included in this category;

(b) paternity leave: leave from work for fathers or, where and in so far as recognized by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care;

(c) carers' leave from work: leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined d by each Member State.

Indicator	2024	2025
Percentage of employees entitled to take family-related leave	100%	100%
Percentage of entitled employees who took family-related leave, including:	23%	29%
Man	17%	20%
Woman	26%	33%

[S1-16] Compensation metrics (pay gap and total compensation)

Compensation metrics

The total compensation ratio in the PZU Group, defined as the ratio of the highest-paid employee's compensation to the median annual total compensation of all employees (excluding the highest-paid employee), stands at 19.4 for the reporting period.

Methodological information: When determining the position or function of the highest-paid individual, persons providing services under managerial contracts are also taken into account. First, the position or function for which the highest level of remuneration is provided under the remuneration policy is identified. If, in a given year, more than one person held a given position or function, for the purpose of determining the total annual remuneration, the remuneration of each of those persons is aggregated proportionally to the periods during which they performed their duties.

The established level of annual remuneration paid for the position or function with the potentially highest remuneration under the remuneration policy is compared with the annual remuneration paid separately to other individuals holding different positions or functions.

The unadjusted wage gap between men and women is 27.3%. At the consolidated level, the ratios were calculated as a weighted average of the pay gap ratio for individual PZU Group entities.

In 2025, the PZU Group calculated the adjusted gender pay gap. The adjusted gender pay gap between women and men is defined as the difference in the average level of remuneration between female and male employees, expressed as a percentage of the average level of remuneration of male employees, taking into account the assignment of the employee to a comparison group. When calculating the adjusted gender pay gap, only employees employed for the full 12 months of the year are taken into account.

Position level	2025
Senior management	11%
Managerial positions	13%
Expert positions	15%
Specialist positions	9%

[S1-17] Incidents, complaints and severe human rights impacts

Incidents, complaints and severe human rights impacts

During the reporting period, PZU Group workforce members filed a total of 137 complaints (121 in 2024) related to potential discrimination through established grievance channels.

In 2025, the PZU Group paid PLN 219,827 in compensation for damages arising from identified violations and complaints relating to social factors and its own workforce – this represents the total amount of fines, penalties, and compensation reported by the Alior Bank Group.

In 2024, PZU Group paid PLN 30,000 in compensation for damages resulting from substantiated complaints; it is the total amount of fines, penalties and damages reported by the Pekao Group.

Detailed data are shown in the table.

Indicator	2024	2025
Number of complaints filed through the PZU Group's channels by its own workforce.	121	135
Number of complaints filed with National Contact Points for OECD Guidelines for Multinational Enterprises.	0	0
Number of incidents of discrimination, including harassment.	0	2
Total amount of significant fines, penalties and compensation for damages related to violations of social factors and human rights.	PLN 30,000	PLN 219,827
Number of severe human rights issues and incidents related to the workforce.	0	0
Number of severe human rights issues and incidents related to the workforce that are cases of non-compliance with UN Guidelines and OECD Guidelines for Multinational Enterprises.	0	0
Total amount of fines, penalties and compensation for damages related to severe human rights issues and incidents connected to the own workforce.	0	0

[S1-1] Policies related to own workforce

8.3.3. Management of own workforce

On the basis of the cooperation agreement with the PZU Group companies (excluding the Group's banks) in the HR area, a single Human capital management policy applies within the PZU Group. The Group's banks implement analogous policies covering matters related to employment, remuneration, competence development, occupational safety, diversity, and inclusiveness. As entities reporting separately, they present information on HR policies in their own sustainability reports. The Human capital management policy constitutes the foundation of a responsible approach to managing human capital and takes into account international standards, including the OECD Guidelines, the UN Guiding Principles, the rights set out in the eight fundamental ILO conventions (International Labour Organization conventions concerning fundamental principles and rights at work and the rights set out in the International Bill of Human Rights), the European Pillar of Social Rights, and EU directives on sustainability and labor rights.

The implemented solutions aim to minimize risks related to discrimination, mobbing, occupational safety, pay inequality, and employee participation. At the same time, they create opportunities for competence development, increased engagement, and building an inclusive organizational culture.

Management of material topics related to own workforce

The policies in force within the PZU Group apply to all employees employed under an employment contract and regulate the principles of remuneration, the prevention of discrimination and mobbing, occupational safety, competence development, and equal opportunities. They take into account the needs of particularly vulnerable groups, such as persons with disabilities and young employees.

Human capital management policy in the PZU Group

The purpose of the Human capital management policy is to ensure consistent and integrated principles governing HR processes across the entire PZU Group, based on the assumption that the organization's key resource consists of employees and collaborators building the PZU Group's human capital. The policy constitutes a management framework for activities related to employment, competence development, talent retention, and shaping the organizational culture.

The Human capital management policy applies to employees employed under an employment contract, while cooperation with persons providing services under civil law contracts and managerial contracts is regulated separately in the agreements concluded with them. All relationships within the PZU Group, regardless of the basis of employment, are carried out with respect for human rights and the principles set out in the Human Rights Policy of the PZU Group.

The Human capital management policy takes into account legal conditions, business realities, and organizational diversity within the PZU Group, while ensuring respect for employees' dignity.

Main objectives of the Human capital management policy:

- supporting the implementation of the PZU Group's strategy through proper management of human capital;
- ensuring consistency of HR principles across the entire PZU Group;
- building an organizational culture based on values, employee well-being, and engagement;
- developing competencies and leadership at every level of the organization;
- ensuring equal treatment and a work environment free from discrimination and mobbing;
- attracting, developing, and retaining talent by building the image of an employer of choice and offering attractive development and internship programs;
- ensuring transparency of remuneration processes, consistent job evaluation principles, and market benchmarks;
- motivating the achievement of strategic objectives, efficiency, and continuous improvement;
- ensuring succession of competencies key to the organization;
- standardizing HR processes and metrics within the PZU Group.

Principles of human capital management in the PZU Group:

- HR operates based on the PZU Group's values, placing people and their development at the center;
- workplace relationships are based on respect, trust, and social dialogue;
- equal treatment is ensured, along with equal access to development and promotion and the right to equal pay for equal work;
- HR processes are conducted transparently and in compliance with applicable regulations; the work environment is inclusive and conducive to engagement and building positive employee experiences.

Implementation mechanisms:

- work regulations and remote work regulations;
- recruitment procedure;
- organizational principles;
- financial planning and training organization procedures;
- HR systems for conducting and monitoring recruitment, promotions, and training.

The substantive owner of the Human capital management policy is the PZU HR Office. The PZU Management Board oversees its implementation.

The implementation of the Human capital management policy is monitored through engagement surveys, audits of HR procedures, and the analysis of employment and

turnover metrics. The Human capital management policy refers to identified impacts, opportunities, and risks, in particular the risk of competence shortages, the high level of workforce diversity, and the opportunity related to development within the PZU Group.

The Human capital management policy is an internal document available to the PZU Group companies implementing its provisions and to persons involved in HR processes.

The Human capital management policy was updated in the reporting year. The Human capital management policy strengthens mechanisms related to equality and diversity, clarifies the division of HR responsibilities within the PZU Group, streamlines cooperation and reporting processes, and further develops areas related to organizational culture, succession, and pay transparency. The changes to the Human capital management policy include, in particular:

- the expansion and clarification of provisions concerning equal opportunities and diversity.

Access to development for all employees was emphasized, highlighting gender balance, the prevention of discrimination, and the inclusion of new provisions on pay equality and transparency of remuneration principles;

- the strengthening of elements related to organizational culture and leadership.

Provisions concerning the building of a people-centered culture, mentoring, talent succession, and leadership development at all levels of the organization were updated;

- the clarification of rules governing cooperation and reporting between the PZU Group companies.

Rules were defined for sharing documents, consulting HR decisions, and issuing opinions on HR matters. The objective of these changes is to increase the consistency and transparency of oversight of HR practices;

- the reorganization of the document structure and definitions.

Clear definitions of key concepts were introduced, increasing the clarity of the provisions and facilitating consistent interpretation of the Human capital management policy across the PZU Group.

Diversity policy for members of bodies of PZU SA and Gender balance policy in the Management and Supervisory Boards of PZU SA

Two complementary policies concerning the composition of the Management and Supervisory Boards are in place at PZU: the Diversity policy for members of bodies of PZU SA (Diversity Policy) and the Gender balance policy in the Management and Supervisory Boards of PZU SA (Gender Balance Policy).

The Diversity Policy was formally adopted by the General Meeting of PZU in 2022.

The Gender Balance Policy was adopted by the General Meeting of PZU on 25 June 2025, and has been effective since that date.

The first policy focuses on ensuring diversity of competencies among persons serving on the governing bodies of PZU. The second aims to ensure gender balance in the composition of these bodies and to promote the professional development of women and men, thereby supporting an increase in the representation of the underrepresented gender. The regulatory scope of the policies covers:

- members of the Management Board and Supervisory Board of PZU;
- rules governing nomination, appointment, succession, and competence development;
- qualification criteria and the obligation to take diversity into account in personnel decisions;
- measures promoting gender balance and access to managerial positions.

Main principles arising from both policies:

- taking into account competence, knowledge and experience when selecting candidates;
- striving for diversity in the composition of the management and supervisory bodies;
- establishing gender ratios in accordance with legal requirements;
- promoting equal access to nomination processes and managerial positions;
- supporting the development of competencies of women and men;
- applying succession procedures and mentoring mechanisms.

Implementation and oversight:

Both policies form part of PZU's corporate governance framework and address legal requirements as well as risks related to the lack of gender balance in management and supervisory bodies. The Supervisory Board and Management Board supervise their implementation and regularly monitor the composition of the bodies. As part of its reporting, the company analyzes the extent to which policies are implemented, including the share of the underrepresented gender and the level of competency diversity.

The policy documents are publicly available on PZU's website, ensuring transparency with respect to the applicable corporate governance principles.

Within the Pekao Group, a Gender Equality and Diversity Policy is in place with respect to the Bank's employees, including Supervisory Board Members, Management Board Members and Key Officers at Bank Polska Kasa Opieki Spółka Akcyjna. Within Alior Bank, these matters are governed by policies concerning the selection and assessment of the responsibilities of members of the Management Board and the Supervisory Board.

Procedures for preventing undesirable behavior in the PZU workplace (mobbing and discrimination)

The procedure defines key concepts such as mobbing and discrimination and states that PZU does not tolerate any forms of such behavior in employment – whether in the establishment or termination of the employment relationship, employment conditions, promotions, or access to training. The procedure provides protection against unequal treatment on the grounds of gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, faith, sexual orientation, type of contract (fixed-term or indefinite-term), or working time arrangement. The procedure applies to all employees, including particularly vulnerable groups.

Main principles:

- prohibition of all forms of mobbing and discrimination (direct and indirect);
- equal treatment in employment, promotions, remuneration and access to training;
- confidentiality and protection of whistleblowers.

In the other PZU Group companies, separate procedures of the same type are in place, adapted to the specific characteristics of each employer, but with analogous content and structure.

Implementation mechanisms:

- reporting channels (dedicated email address, written submissions);
- the establishment of an Anti-Mobbing and Anti-Discrimination Committee to examine reports. In the event of a report, a committee is appointed to analyze the case, conduct evidentiary proceedings, and make decisions by a majority vote. The Committee examines reports on a confidential basis;
- remedial measures: mediation, training, disciplinary sanctions.

The HR Office is responsible for handling reports. The Anti-Mobbing Committee is responsible for analyzing reports and making decisions.

Monitoring

Registers of reports are maintained within the PZU Group, and reports are prepared following each assessment. These reports contain a summary of the identified issues and a remedial action plan, taking into account the following principles:

- assessments and remedial actions are carried out with the involvement of the responsible units and functions and include an appropriate budget for their implementation;
- remedial measures must adequately address the identified irregularities, in line with the priorities established by the relevant PZU Group company.

These reports are internal in nature and are submitted to the Management Board after each assessment.

The procedure is linked to mandatory anti-mobbing training for all employees, delivered periodically through the internal training portal.

The procedure is available to all employees on the intranet, and information about updates is communicated through internal announcements.

Complaint procedures have been implemented to address cases of discrimination and mobbing, taking into account both formal structures and informal cultural barriers. The mechanisms ensure confidentiality and protection against retaliation.

Equal access to recruitment, training and promotion

Within the PZU Group, implemented policies and procedures ensure that recruitment, training, and promotion are based on qualifications, skills, and experience. The processes are transparent and monitored in HR systems. The PZU Group assesses whether job-related requirements have been defined in a way that could systematically place certain groups at a disadvantage. Recruitment processes are reviewed for inclusiveness.

The PZU Group maintains up-to-date documentation concerning recruitment, training, and promotion, ensuring a transparent overview of employees' development and promotion opportunities.

Human Rights Policy in the PZU Group

The PZU Group has the "Human Rights Policy in the PZU Group", aimed at effectively protecting human rights and creating an organization that supports diversity. The document covers principles of equal treatment and anti-discrimination measures in relations with employees, clients, suppliers and other stakeholders. The policy mandates the provision of fair wages, ergonomic working conditions, privacy protection and freedom of expression. It also includes support for employee health and well-being.

The Human Rights Policy in the PZU Group is addressed to all interested parties including employees, job candidates, customers, suppliers and business partners of the PZU Group. In its content, the PZU Group refers to the principles of equal treatment and respect for human rights in accordance with international standards and labor law regulations. The document has been published on the PZU Group's website, ensuring access for all interested parties.

The "Human Rights Policy in the PZU Group" aims to ensure the effective protection of human rights and to create an organization that supports diversity. The PZU Group is committed to respecting human rights in its business operations, particularly in employee relations.

Main principles:

- respecting the right of candidates to equal treatment and non-discrimination during recruitment;
- ensuring employees' right to fair and equal remuneration;
- providing safe and ergonomic working conditions;
- respecting employees' right to association;
- protecting the right to privacy, as well as freedom of speech and expression;
- creating conditions that enable work-life balance;
- supporting employees in health protection and workplace well-being;
- preventing discrimination and mobbing in accordance with labor law and internal regulations;
- striving to ensure compliance with human rights by employees, suppliers and business partners.

The "Human Rights Policy in the PZU Group" applies to all entities within the PZU Group, except for Alior Group and Pekao Group, which have their own human rights policies. For the Pekao Group, the key regulation regarding human rights is the "Pekao Group Code of Conduct", which, in addition to human rights, also addresses organizational culture and the value system. For Alior Bank Group, the key regulation governing human rights is "Alior Bank Human rights policy".

Implementation mechanisms

The Human Rights Policy is implemented through the Procedure for Addressing Human Rights Violations in the PZU Group. The procedure defines the principles and methods of action to prevent human rights violations within PZU and its subsidiaries.

The Human Rights Policy of the PZU Group explicitly refers to the prohibition of human trafficking, forced labor, and child labor. The PZU Group applies a zero-tolerance principle toward such practices, and the risk of their occurrence is considered minimal.

The PZU Group maintains a zero-tolerance policy toward any actions or behaviors that violate human rights. If a violation is identified, any stakeholder who believes that their rights or the rights of others have been violated by PZU or its subsidiaries has the right to report the case to the Client Ombudsman. Reports can be submitted electronically to rzecznikklienta@pzu.pl or in writing to the PZU headquarters address.

Both the Human Rights Policy and the procedures of the PZU Group relating to human rights in respect of its own workforce also apply to complaints or incidents involving human rights violations reported by persons who are not employees of the PZU Group.

Entities covered: All PZU Group entities except Pekao and Alior Bank Groups, which have their own internal procedures in this area.

8.3.4. Additional information on policies related to own workforce

Occupational health and safety and integration of persons with special needs

An occupational health and safety (OHS) policy based on ISO 45001 is in force at PZU. OHS audits, training sessions, and risk analyses are also conducted. The OHS policy ensures compliance with the highest safety standards and regular preventive actions aimed at minimizing accidents. In the subsidiaries, separate documents are in place or OHS obligations arising from legal regulations are implemented. Within the PZU Group, adjustments to the physical environment have been introduced to ensure the health and safety of employees, customers, and persons with disabilities, including office accessibility, workplace ergonomics, and solutions supporting mobility.

Integration of persons with special needs in other policies

The PZU Group's employee-related policies include commitments to integrate groups exposed to risk, including persons with disabilities, by adapting the working environment. The PZU Group's procedures and policies promote diversity and inclusiveness, and their effectiveness is monitored through audits and satisfaction surveys. The policies and procedures apply across the entire organization. Responsibility for equal treatment and equal opportunities in employment is assigned to senior management, and performance in this area is linked to managers' evaluations.

Communications regarding the policies are addressed to employees through the intranet, newsletters, e-learning modules, and educational campaigns. Information about changes is communicated by email, and training is mandatory as part of the onboarding process.

[S1-2] Processes for engaging with own workforce and workers' representatives about impacts

8.3.5. Processes for engaging with own workers

The PZU Group takes into account the perspective of its own workforce in decision-making processes, treating employees' voices as an important element of managing the organization's impacts. Within the PZU Group, cooperation takes place both directly and through trade unions. In PZU and PZU Życie, ten trade unions operate, and dialogue with them makes it possible to take into account the expectations of the social partner in key decisions concerning remuneration regulations, collective bargaining agreements, or bonus principles. In the Group's banks, dialogue is conducted with trade union organizations and the Employees' Council. Bank Pekao also conducts consultations as part of strategic projects. In foreign entities, despite the absence of formal representative structures, extensive employee engagement mechanisms are applied, including multilingual surveys, workshops, Q&A sessions, and podcasts with the participation of senior management, ensuring transparency and employee influence on strategic decisions. In PZU Ukraine, in the context of the war, particular importance is attached to creating a safe working environment and enabling employees to report needs related to the crisis situation.

Cooperation processes with employees within the PZU Group include engagement surveys, social dialogue, meetings with representatives, and development initiatives. Annual engagement surveys are conducted in the PZU Group companies, as well as periodic pulse surveys, and in PZU a continuous satisfaction survey is conducted in cooperation with individual organizational units (Cooperation Barometer). These mechanisms enable employees to express their views safely and confidentially regarding the working environment, relationships with supervisors, and the company's development direction.

Cooperation with employees within the PZU Group takes place at all stages of the employee lifecycle in the organization – from recruitment and onboarding, through ongoing operational processes, to development activities and change management. In PZU, engagement surveys are conducted once a year, while pulse surveys are carried out as needed – from once to several times per year. Meetings with trade unions are held as needed, often on a monthly basis. Within the PZU Group, the effectiveness of employee engagement is assessed through systematic monitoring of satisfaction levels and employment stability. The key tools are the engagement surveys described above and periodic pulse surveys, which enable ongoing analysis of employees' opinions and the identification of areas requiring improvement. Survey results are analyzed at all levels of the organization, from the Management Board to individual teams, and form the basis for designing actions aimed at improving working conditions, organizational culture, and development initiatives. In addition, employee turnover metrics constitute a complementary measure of employment stability and the effectiveness of engagement-building efforts.

The results of engagement surveys within the PZU Group are systematically analyzed and translated into action plans implemented at both team level and within the PZU Group companies. In PZU, measurements are carried out, among others, through the engagement survey (with results compared annually), the turnover rate (remaining below the financial market average), targeted employee surveys (addressed to specific groups of employees), and exit interviews (interviews and surveys examining the reasons for leaving the employer).

As part of the implementation of the Employee Experience Management approach, regular reviews of employee experience are conducted across the entire employee lifecycle within the organization. The analysis of experience measurements linked to specific moments on the employee journey map serves as a basis for business decisions concerning the working environment. The creation of Employee Journey Maps (EJM) is aimed at improving existing processes. Metrics related to the employee lifecycle are monitored, and, based on employees' feedback, actions improving the working environment are designed and implemented.

Responsibility for cooperation

Responsibility for cooperation with employees at PZU lies with the HR Office, including the Managing Director for HR, the Director for Labor Law and Social Dialogue, and the Director for Training and Development. In foreign entities, this role is performed by the HR Director or a dedicated manager, such as an HR Manager or Employee Experience Manager at BALTA.
In the Group's banks, responsibility rests with the Director of the People, Organization and CX Division (Bank Pekao) and with the Management Board (Alior Bank). These persons coordinate dialogue processes, analyze survey results, and implement remedial actions.

Working with vulnerable people

Within the PZU Group, initiatives are implemented to support employee well-being and counteract the risk of marginalization. The catalogue of activities is developed based on a multi-source needs assessment process in which employees' voices, including those of vulnerable people, play an important role. Programs such as the Summer School of Well-being, promoting mental and physical health, as well as training sessions and educational webinars on equal treatment and the prevention of bias, have a preventive character – they teach how to cope with difficulties before they arise. In addition, PZU supports managers in building an inclusive working environment and responding effectively to team challenges. Within the PZU Group, initiatives supporting vulnerable people are implemented, including the Employee Assistance Program #rozmawiajMY and a psychological helpline. The PZU Group companies offer financial support from the Company Social Benefits Fund, additional prescription drug insurance, and flexible forms of work.

Channels of communication and elimination of barriers to cooperation

The PZU Group identifies and eliminates barriers hindering cooperation with employees, such as communication, organizational, or technological differences.
For this purpose, the results of opinion surveys and employee reports are analyzed, and training sessions and educational activities are organized. The PZU Group uses various communication channels to ensure that employees have access to information in a clear and accessible manner. The primary tool is the intranet, where survey results, action plans, and educational materials are published. Communication also takes place through newsletters, meetings with managers, digital platforms, and thematic webinars.

Conflict of interests

In 2025, no material conflicts of interest were identified within the PZU Group that could negatively affect the achievement of strategic objectives. However, differences in expectations regarding the principles for the payment of annual bonuses arose and were resolved through dialogue with the social partner and individual discussions between managers and employees.
During the reporting period, the collective dispute initiated in 2023 by the Inter-Company Trade Union of PZU Group Employees "Jedność" was concluded through dialogue. The dispute concerned remuneration, and the National Labour Inspectorate was informed of the details.

Respect for human rights

The PZU Group implements the Human Rights Policy, which covers employees, customers, suppliers, and business partners. Complementary procedures to the Policy provide mechanisms including a due diligence process, channels for reporting violations, and methods for monitoring and handling reports, as described in more detail in the following sections: Human Rights Policy in the PZU Group and Minimum safeguards. In its business relationships, the PZU Group requires its partners to comply with principles of ethics and human rights, as set out in the Code of Conduct and ESG Best Practices for PZU Group's Suppliers.

The PZU Group has not concluded a global framework agreement but implements a Human Rights Policy developed on the basis of the UN Guiding Principles, the OECD Guidelines, and ILO conventions. The PZU Group companies are signatories to the principles of the UN Global Compact.

[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns

8.3.6. Channels for reporting violations

Negative impact management system

The PZU Group applies a consistent approach to handling employee complaints, based on the principles of transparency, confidentiality, and compliance with labor law. Within the PZU Group, procedures for preventing mobbing and discrimination are in place, setting out the stages of proceedings: from the receipt of a report, through analysis of the causes, to the implementation of remedial actions. The process includes the possibility of mediation, psychological support, training, and changes to the organization of work. In the case of serious violations, disciplinary measures are applied to the perpetrators, including changes to employment conditions or termination of the contract. Remedial processes are conducted in accordance with ethical principles and the Human Rights Policy. Within the PZU Group companies, in cases where a material adverse impact on employees is identified, remedial actions are implemented, including modifications to procedures and management practices, training in ethics and equal treatment, and, where justified, financial compensation and additional benefits. The process is supported by systematic analysis and audits of the effectiveness of implemented measures, and their effectiveness is evaluated through employee surveys. Within the PZU Group, preventive mechanisms are also in place, such as changes to work procedures, new training programs, and ongoing monitoring of working conditions, which help prevent similar violations in the future.

Complaint reporting channels

The PZU Group provides employees with various complaint reporting channels to enable the swift and secure communication of information. Within the PZU Group companies, different complaint reporting channels are used; all or some of the following are available:

- direct contact with the supervisor or HR;
- Dedicated email boxes;
- a hotline and anonymous forms;
- regular meetings as part of social dialogue.

All channels are designed to ensure confidentiality and the protection of the reporting person's data. Under the applicable procedures, the PZU Group companies have implemented measures to protect employees against retaliation in the context of reporting complaints.

In the event of violations of employee rights, the PZU Group enables employees to use third-party mechanisms in accordance with applicable law. In Poland, any employee may report a case to the National Labour Inspectorate or bring it before a court. Foreign entities have access to local institutions – in Lithuania and Estonia, these are the national Labour Inspectorates, while in Latvia reporting is possible through a national platform. In Ukraine, employees may submit complaints to public authorities or pursue their rights through judicial proceedings.

The PZU Group ensures equal access to internal complaint reporting channels for all employees, regardless of the form of employment or place of work. Information about the channels is published on the intranet, provided during onboarding, and reiterated in internal communications.

The PZU Group supports the accessibility of complaint reporting channels through awareness-raising activities, training, and internal communication. The channels are promoted via the intranet, newsletters, and during employee meetings. Information campaigns and training sessions are conducted regarding complaint reporting procedures. These actions aim to increase employees' awareness of the available mechanisms and ensure that they know how to use them. Employees are also informed how to report a complaint safely and confidentially.

The PZU Group monitors reports through case registration, trend analysis, and reporting to the appropriate bodies. The relevant HR units maintain a register of reports and oversee the process of their handling. In addition, the PZU Group uses employee opinion surveys to assess the effectiveness of complaint reporting channels.

Within the PZU Group, the level of employee awareness of and trust in complaint reporting channels is assessed by monitoring their use and participation rates in voluntary opinion surveys. The PZU Group continuously analyses the functioning of its existing reporting channels, taking into account, among other aspects, feedback received from employees. Further actions aimed at strengthening the transparency and accessibility of these channels are being considered, including potential mechanisms to assess their effectiveness.

The PZU Group companies apply various mechanisms to track and monitor issues reported by employees.

As part of these activities, the results of cyclical employee sentiment and needs surveys are analyzed, allowing for the assessment of the work environment, level of engagement and emerging trends. An element of monitoring is also the collection of feedback from employee representatives, including trade unions, which enables the evaluation of the effectiveness of undertaken actions. Activities aimed at increasing awareness among employees are also carried out.

[S1-4] Taking action on material impacts on own workforce and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions

[S1-5] Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

8.3.7. Targets and actions affecting own workforce

In 2025, the PZU Group set targets for the strategic period 2025-2027 relating to identified material impacts, opportunities, and risks concerning employees. The qualitative targets presented are included in the Human capital management policy and constitute a further development of the strategic directions set out in the strategy. The defined targets contribute to strengthening positive impacts and limiting identified risks. They also pursue business targets related to supporting the development of human capital, maintaining competitive advantages in the labor market, and creating an environment conducive to innovation and engagement. The defined targets do not incorporate all criteria required by the ESRS in accordance with MDR-T.

In order to minimize the risk of a shortage of qualified staff, particularly in areas requiring specialized competencies, targets were adopted aimed at strengthening the attractiveness of the PZU Group as an employer and building a friendly working environment. These include:

- maintaining PZU's position as an attractive employer through a strong brand, a competitive remuneration offering, and advantages in terms of turnover rates and employee return metrics compared to the market; further monitoring and reducing voluntary departures, including among top talent;
- developing a working environment based on collaboration, inclusiveness, and psychological safety; maintaining high levels of employee satisfaction in the areas of "people management" and "inclusiveness and collaboration", above market averages.

As part of strengthening the positive impact on its own workforce and limiting potential negative effects arising from specific working conditions for certain job groups, objectives are pursued relating to improving employee well-being indicators based on the well-being strategy (physical and mental health and optimization of working style), as well as further developing the Employee Experience approach through systematic assessment of needs and incorporating employees' perspectives into process design.

Taking into account impacts related to equal treatment, an objective was set to ensure that the gender pay gap between women and men does not exceed a level acceptable in market practice.

In order to strengthen the positive impact of social dialogue and limit tensions in employee participation and communication, an objective was defined concerning the involvement of trade unions in developing solutions for employees.

To support the development of employee competencies and enhance long-term employment prospects, an objective was adopted focusing on shaping future skills, including those key from the perspective of the PZU Group's strategy — particularly in the areas of new technologies (AI, cloud, embedded insurance, pricing) and international expansion. It also assumes increasing the availability of training and creating opportunities to gain diverse professional experience.

In view of the diverse needs of four generations of employees and the need to strengthen actions limiting the risk of undesirable behavior, an objective was defined to enhance leaders' accountability for building engagement and employee experience. This will also include the development of managerial competencies and the implementation of a new performance management process supporting talent identification and optimal employee development in individual business areas.

The targets set by the Pekao Group include maintaining a high level of employee engagement (60%), implementing employee volunteering initiatives, keeping the pay gap for comparable positions below 5%, and achieving a 33% share of women in managerial positions.

The Alior Bank Group defined targets relating to maintaining the gender pay gap below 2.5%, achieving a 50% share of women in management, and implementing a re-onboarding program for employees returning from parental leave. In order to strengthen the positive impact on its own workforce and limit potential negative effects of low engagement, Alior Bank's strategy assumes transforming the organization based on Agile methodologies and maintaining an employee engagement rate above 60% by 2027.

In 2025, entities in the Baltic countries also set targets relating to reducing the gender pay gap, maintaining high satisfaction levels, and developing competencies related to climate transformation. In Ukraine, the priority was safety, psychological support, and employment stability under wartime conditions.

The targets adopted by the PZU Group and the actions undertaken are aligned with the core assumptions of the Sustainable Development Goals (SDGs), in particular:

- SDG 8 – Economic growth and decent work
- SDG 5 - Gender equality;
- SDG 10 - Reducing inequality.

Monitoring of targets, actions, and initiatives

The targets are monitored through a set of HR metrics, such as turnover, the gender pay gap, employee satisfaction across various aspects of work, and the perceived attractiveness of PZU as a workplace, ensuring their comparability over time. Turnover, well-being, and gender pay gap metrics are analyzed on an annual and quarterly basis.

Employees are involved in the process of defining and monitoring objectives through engagement surveys, consultations with HR, and dialogue with trade unions, and the results are used to design actions addressing real needs.

Management of risks, resources, and impacts on relationships

In 2025, the PZU Group implemented mitigation measures in relation to identified IROs, including overtime work, tensions in communication, and lack of diversity in the Management Boards of companies.

With regard to overtime work, actions focused on well-being, safety, and flexibility in work organization, limiting the negative effects of increased workload. Communication-related tensions were addressed by strengthening a culture of dialogue, transparency, and cooperation within the organization.

The Employee Experience Management (EXM) approach enabled responsiveness to employees' needs, and in crisis situations PZU has established solutions allowing for rapid response, ensuring support for employees and their families.
Within the PZU Group, additional remedial measures are implemented, such as psychological support, stress management training, flexible forms of work, and programs developing both technical and soft skills for employees in positions exposed to specific adverse impacts. In addition, digitalization and automation of processes reduce repetitive tasks, decreasing the workload of frontline employees in contact with customers.

The lack of diversity in the Management Boards of companies is addressed based on the corporate governance policies in force at PZU, in particular the Diversity policy for members bodies of PZU SA and the Gender balance policy in the Management and Supervisory Boards of PZU SA.

Within the PZU Group, the implementation of diversity policies and the level of achievement of targets related to the gender pay gap were also monitored. Building organizational resilience and an inclusive culture was supported through training for management staff in change management and educational activities in the area of diversity. The PZU Group is also engaged in initiatives promoting women's leadership by participating in external programs addressed to future female leaders.

Actions undertaken to strengthen communication and participation are described in the section Processes for engaging with own workers.

In response to identified risks, including those related to attracting qualified employees, the PZU Group implements initiatives covering remuneration policy, non-wage benefits, support for non-work activities, promotion of work-life balance, and professional development.

Within the PZU Group, the remuneration market is monitored, and the pay policy is adjusted to market conditions and local specifics, taking into account individual competencies, performance, and the nature of positions. Employees may receive additional variable components, such as bonuses and commissions, depending on the nature of their duties.

The PZU Group companies offer additional benefits aimed at supporting the quality of life of employees and their families. Benefits vary between the PZU Group companies. Among the benefits offered by PZU are:

- Employee Pension Scheme (EPS): 7% of base and variable pay;
- Company Social Benefits Fund (ZFŚS): including co-financing of holidays, renovation and modernization loans, non-repayable grants, and a cafeteria system for cultural, tourism, and sports benefits;
- health benefits: private medical care, prescription drug insurance, and top-ups of up to 100% of remuneration in the event of specific sick leave absences (e.g., oncological diseases);
- group life insurance on preferential terms and promotional conditions for joining an Individual Retirement Security Account (IKZE);

In order to strengthen positive impacts, actions undertaken by the PZU Group focused on well-being, safety, and flexibility of work.

The PZU Group identifies and leverages opportunities conducive to creating a working environment based on innovation, collaboration, and employee autonomy. The PZU Group seeks to develop digital and leadership competencies and to build an organizational culture supporting engagement and diversity. The development of digital and leadership competencies is carried out through training programs, enabling better use of team potential and minimizing the risk of turnover. The PZU Group companies promote the development of employees' non-work activities through access to sports sections and employee volunteering programs. Activities promoting diversity and inclusiveness support a culture based on respect, equality, and mutual support.

The hybrid work model and collaborative work tools have increased organizational flexibility, supporting work–life balance. Investments were made in the development of digital and leadership competencies by implementing training programs supporting leaders in better leveraging team potential.

The PZU Group applies various methods of monitoring and evaluating the effectiveness of actions undertaken for its employees. Regular engagement surveys and supervisor-employee conversations provide feedback on working conditions and organizational initiatives. Human resources management processes are also evaluated by analyzing key metrics such as employee turnover, absenteeism levels, training effectiveness and internal promotions.

The PZU Group applies a structured decision-making process with respect to remedial actions, involving the HR Office, managers, legal teams, and ethics committees.
In the case of serious violations, appropriate procedures are triggered and cases are referred to the Anti-Mobbing Committee. Foreign companies and the Group's banks apply analogous mechanisms, ensuring confidentiality and employee protection.

The PZU Group verifies the effects of its actions through opinion surveys, dialogue with trade unions, analysis of HR indicators, and mechanisms for reporting irregularities. Social dialogue, including regular meetings with trade unions, constitutes an additional tool for identifying risks and assessing impacts.

Within the PZU Group, no dedicated separate resources are allocated specifically for managing material impacts and risks. These activities are carried out by HR teams within the allocated budgets for training, courses and certifications, well-being programs, employee benefits, and digital tools that support HR processes. In PZU, appropriate units are in place responsible for the implementation of HR policies, payroll and personnel administration, occupational safety, and OHS audits. Specialized teams operate in the areas of recruitment, development, employee experience management,

incentive systems, HR communication, business partnering, and legal advisory services in labor law and social dialogue. Foreign companies allocate resources to development programs, digital skills training, psychological support, and DEI initiatives, and invest in e-learning systems and platforms. The Group's banks invest in educational platforms, development programs, and mental health initiatives.

Responsibility for managing impacts lies with the Management Board, the Managing Director for HR, the HR Office, the Employee Operations Center, and the OHS Team at PZU, and with HR, Compliance, and Ethics Committees in foreign entities. The Group's banks engage HR Business Partners and relevant committees. These functions carry out preventive, remedial, and development actions, ensuring consistency and effectiveness across the PZU Group.

Comments on impacts, targets, and actions

The PZU Group does not disclose in its sustainability report detailed information on the HR metrics values set in 2025, including the baseline year and the target levels of engagement, well-being, satisfaction, or turnover. These metrics are monitored and analyzed internally.

Due to the absence of a transition plan towards climate neutrality, no impacts on employees resulting from the transition have been identified. The PZU Group's strategic directions in its own operations include investments in energy-efficient technologies, replacement of the fleet with zero- or low-emission vehicles, procurement of renewable energy, and modernization of offices. Accordingly, the PZU Group implements training programs in the areas of sustainability and digital technologies and introduces programs supporting employees in adapting to new working conditions. The transition to a low-carbon economy does not have a significant impact on the professional situation of employees of the PZU Group.

8.4. (S) Social – affected communities

[S3.SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

8.4.1. Managing material impacts, risks and opportunities and their interactions with strategy and business model

The double materiality assessment process conducted by the PZU Group in relation to affected communities indicated that potential material impacts can be considered only at the level of its own operations (see Chapter: Double Materiality Assessment). The PZU Group does not conduct operations in areas inhabited by Indigenous peoples. PZU Group did not identify material impacts in the higher-tier and lower-tier value chain due to their indirect and distant nature. However, significant positive impacts were identified within its own operations, particularly in social initiatives for safety improvement, sports promotion and sponsorship and cultural patronage programs.

Assessment of impact on communities particularly vulnerable to risks

PZU Group conducted an impact assessment on communities. The assessment included international human rights declarations and NGO reports. The evaluation included documents and reports from reputable international organizations such as: Universal Declaration of Human Rights (UDHR), United Nations (UN), Minimum Community Engagement Standards and Indicators, UNICEF, UN Declaration on the Rights of Indigenous Peoples (UNDRIP), The Indigenous World 2025 Report, Global social impact measurement and management standard, OECD Guidelines for Multinational Enterprises for Responsible Business Conduct.

The results of the assessment did not indicate any material adverse impact of the PZU Group. No evidence found that communities within PZU Group's operational scope suffered harm due to PZU Group's activities.

The PZU Group companies monitor their impacts on communities as part of their business activities, including through ongoing contact with stakeholders, the development of business relationships, and the implementation of initiatives. There were no human rights violations against either Group employees or community representatives.

Positive impacts on communities

PZU Group's activities positively influenced affected communities through a broad range of initiatives. Key engagement areas include:

- **preventive programs** aimed at minimizing the risk of insurance events or their impacts, including measures for disease prevention, healthcare and safety in everyday life and at work;
- **support for affected communities,** including educational, cultural and sports projects, collaboration with NGOs and local institutions that implement programs tailored to community needs;
- **promotion of a healthy and active lifestyle** and encouragement of regular physical activity, raising awareness of various factors on children, youth and families' health;
- **support for culture**, in particular protection of national heritage, funding cultural events and engagement in projects promoting accessibility of cultural activities to a wider audience;
- **charitable activities** carried out by the PZU Foundation for the benefit of vulnerable people, consisting of financing medical treatment, rehabilitation, and the purchase of medical equipment. PZU Foundation's support was also extended to people with disabilities and children and young people through educational programs.

The actions undertaken by the PZU Group arise from the PZU Group's business model and strategy. Preventive activities, implemented together with support and educational initiatives, contribute to reducing claims frequency and support the financial performance of the PZU Group. Charitable and cultural activities are complementary to the main business directions.



[S3-1] Policies related to affected communities

8.4.2. Policies related to affected communities

Due to the nature of its business activities, the PZU Group attaches significant importance to social responsibility and business ethics. From a formal perspective, the highest standards of conduct are safeguarded and regulated by internal policies that define functions across multiple areas, including marketing and sponsorship, support for affected communities, incident reporting and crisis response procedures. At the highest level within the organization, responsibility for the implementation and application of these policies rests with the Management Board of each entity included in the PZU Group.

PZU Group companies have established specific indicators and action directions aimed at effectively managing material impacts, risks and opportunities related to affected communities. The strategic directions for social engagement within the PZU Group included activities aimed at preventing the occurrence of or mitigating the effects of unforeseen events, building brand image and customer trust, and addressing social issues. Support initiatives and programs were implemented by various entities within the PZU Group, in line with their respective resources and competencies; however, all entities operate in a complementary manner, reinforcing one another and strengthening PZU's positive impact on society.

Corporate Social Responsibility

A positive impact on the environment is of great importance to the PZU Group, as it contributes to the company's long-term success. The main document governing the PZU Group's social engagement is the Social Engagement Strategy 2025–2027, which describes and sets out the key directions for the implementation of preventive projects, sponsorship activities, and other initiatives supporting local communities. This Strategy was developed jointly by PZU, PZU Życie SA, and the PZU Foundation; however, all entities within the PZU Group are involved in its implementation, in line with their respective resources and capabilities.

PZU Group's subsidiaries and dependent entities also acknowledge the importance of supporting local communities. Therefore, BALTA and Lietuvos Draudimas have implemented their own corporate social responsibility policies, which set out standards of conduct towards local communities and establish a framework for sponsorship initiatives.

Respect for human rights in relation to affected communities

The PZU Group's commitments to respecting human rights have been formalized in the Human Rights Policy of the PZU Group, available on the PZU website (Policies and reports). The PZU Group's approach to respecting human rights is applied consistently across all stakeholder groups: employees, clients, suppliers, business partners, and other entities. The PZU Group is committed to acting to ensure equal treatment and to prevent all forms of discrimination and rights violations. For details on the aforementioned policies, see section 8.3. (S) Social - Employees of PZU Group. In 2025, there were no incidents regarding respect for human rights and non-compliance with UN and OECD guidelines against the affected communities.

Transparency of sponsorship and charitable activities

PZU Group engages in sponsorship initiatives to support projects of significant social and cultural importance. Transparency of activities in this area is defined by the Sponsorship Activities Regulations, which lay down rules for implementing projects on supporting events and initiatives for the public. The document regulates project execution, billing procedures and sponsorship budget management principles.

Subsidiaries in the PZU Group may create their own regulations for their activities. BALTA has taken advantage of this opportunity in its Sponsorship and Social Support Policy, which defines rules for corporate engagement in social initiatives and sponsorship. The document addresses local community and consumer needs by prioritizing support for social and educational initiatives.

In the case of the PZU Foundation, charitable activities are regulated by two documents: Statute and Grant Award Regulations of the PZU Foundation. The PZU Foundation supports social, educational, cultural, and health initiatives. The Statute and Grant Award Regulations define the rules by which organizations and entities can apply for funding for projects that align with the Foundation's objectives. These documents specify the evaluation criteria for applications, submission procedures and fund settlement processes. They are publicly available on the PZU Foundation's website, allowing potential applicants to familiarize themselves with the application and fund utilization guidelines.

Emergency assistance

PZU Group not only focuses on social development and corporate responsibility but also prepares for emergency situations. Disaster response guidelines outline procedures that enable swift support for communities affected by natural disasters. Implemented solutions include mobile support offices, simplified claims reporting procedures and a notification system that enables insured individuals to stay informed about potential threats.



[S3-2] Processes for engaging with affected communities about impacts

8.4.3. Processes for engaging with affected communities about impacts

Incorporating the perspective of affected communities in PZU Group's activities

The PZU Group considers the perspective of affected communities in its activities, which is reflected in aid initiatives, preventive campaigns, as well as information and education campaigns.

PZU Group does not have one single unified process for cooperating with affected communities. Each PZU Group entity implements initiatives based on internal regulations and tailor their actions to identified social needs. Entities within the PZU Group may undertake independent actions to enhance understanding of the specific needs of local communities. PZU Group activities are performed on a cyclical basis, most often over a 1-year time horizon, in a structured manner. To learn the perspective of affected communities, the PZU Group organizes ongoing communications, collects sponsorship requests, and gathers stakeholder feedback. For this purpose, the following communication channels are used: cooperation with the relevant departments of PZU Group, contact with units responsible for sales and customer service, including claims handling, preventive actions, sponsorship, and cooperation with the PZU Foundation. As the consequence of the needs as identified, aid, preventive and educational initiatives are launched and tailored to the community's needs. The frequency of collecting community opinions and needs is in the nature of regular, ongoing contact, such as contact with customers.

Every opinion and voice of community is taken into account. The PZU Group does not distinguish a separate process for gathering feedback of indigenous peoples.

In 2025, the perspective of affected communities informed the PZU Group's decisions and contributed to the implementation of preventive campaigns, the launch of support programs, and the next round of employee volunteer programs, in addition to sponsorship activities. Details of each activity are described in the following pages of this chapter.

Responsibility for the cooperation process

Members of the Management Board of each entity and directors of operational units responsible for overseeing social engagement programs are accountable for ensuring cooperation with affected communities and integrating the outcomes of this collaboration into the PZU Group's strategy and activities.

Within the PZU Group, relevant committees operate, including the PZU Sponsorship and Prevention Committee, which make decisions managing impact on communities. At the operational level, these functions are carried out by competent substantive units.

Evaluation of cooperation effectiveness with affected communities

PZU Group assessed cooperation effectiveness through initiative performance analysis as well as quantitative and qualitative data collection and reporting. The number of initiative beneficiaries was monitored that allowed PZU Group for determining outreach scope and actual impact. Another important element for PZU Group was sponsorship and operational impact reporting that provided detailed records of initiative progress and results. Another key source of information for the PZU Group was the analysis of opinions and suggestions received from beneficiaries, which facilitated the ongoing adaptation of activities to their needs and expectations. Detailed information on selected activities and initiatives is provided when they are described in detail.

[S3-3] Processes for remediation of negative impacts and channels for affected communities to raise concerns

Community representatives may report their issues or concerns that require addressing through the same channels and mechanisms that are deployed for employees described in the Procedure for Addressing Human Rights Violations in the PZU Group. Reports can be sent to the email address: rzecznikklienta@pzu.pl. Information on the availability of the channel for reporting issues and concerns is available on the PZU website under the "PZU Group Human Rights Policy": (Policies and reports). Any problems or concerns can be reported anonymously.

Each complaint is monitored – it is recorded and a report is created following an individual analysis. Systematic analyses and reporting on the effectiveness of implemented corrective measures are internal. For this purpose, regular audits of the problem-reporting system are conducted and its effectiveness is evaluated, for example, through surveys distributed to employees.

The PZU Group believes that it is an expression of confidence in the existing structures and processes for communities to communicate their concerns by using these mechanisms. The PZU Group does not retaliate in response to issues or concerns as reported. Each signal is investigated and analyzed to address the problem and find a solution or implement remedial measures.

Cooperation with affected communities on impact management targets

Through problem and needs reporting, affected communities indirectly participate in defining targets and future actions. The collaboration processes described in the previous section allow for setting targets tailored to the needs of affected communities.

Local community organizations can apply for sponsorship or can approach the PZU Foundation with a request for support.
Continuous monitoring of outcomes and a commitment to dialogue with communities ensure that actions are relevant, transparent, and contribute to society's long-term welfare.

The PZU Group's activities aim to provide support to communities by improving quality of life and promoting a responsible approach to the environment and society.

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

8.4.4. Actions related to community impacts

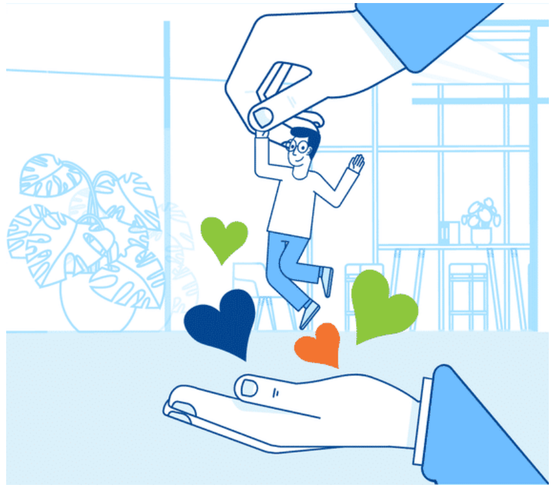
PZU Group entities independently determine scope and type of actions for affected communities. As part of its activities, the PZU Group supports initiatives to minimize the effects of fortuitous events and promote good risk management practices.

PZU Group entities publish information on programs and initiatives for affected communities on PZU's website, social media, and PZU Group reports. Additionally, broader marketing campaigns are conducted to raise awareness of ongoing efforts.

The PZU Group proactively tailors initiatives and programs to best address the community's needs, including both its own activities and cooperation with external entities. The role of the community was to report needs and precisely define the issues that required resolution. The design and implementation of operational measures are managed by employees in specialized units, who assess the justification of the request and its alignment with PZU Group's social engagement goals.

All PZU Group initiatives operate on an annual cycle with a built-in continuity mechanism. The relevant divisions of PZU Group, which managed community-related actions, allocated their yearly budgets to carry out these responsibilities.

Beneficiaries of the PZU Group's social activities



The PZU Group understands affected communities to mean communities in general, and in particular customers, suppliers, contractors, and business partners who are or may be affected by the PZU Group in the course of its business operations. Preventive, support, educational, aid, and sponsorship activities are carried out for the communities. This impact can be extended to all entities with which cooperation is ongoing, regardless of origin, ethnicity, legal form or other characteristics. PZU Group's initiatives are directed to all residents in the countries where PZU Group operates. The PZU Group implements activities for both individual representatives of the community and groups of people who may be affected by fortuitous events, such as natural disasters, traffic accidents or other chance events. An important group of beneficiaries includes children and young people, who have access to insurance and financial education programs. The PZU Group's activities also benefit companies and public institutions, along with their employees who have been actively involved in security and risk prevention projects.

Initiatives for safety improvement

In 2025, PZU organized many preventive initiatives. The "**Mistrzu, zwolnij**" ("Slow down, Champ") campaign aimed to highlight the causes of the most common traffic accidents and was directed to drivers. Meanwhile, the information and educational campaign, in which PZU supported the activities of the Police, **"Kręci nas bezpieczeństwo w lecie**" (Turn On Safety in the Summer) was aimed at developing this area among children.

PZU continues to cooperate with uniformed and emergency services (WOPR, LWOPR, GOPR). GOPR (Mountain Volunteer Search and Rescue) received funds from the insurer to purchase and modernize vehicles and equipment used in mountain search and rescue, as well s to implement training to improve rescuers' skills. With PZU's funding, it is possible to purchase new vehicles, modernize the existing fleet, and provide equipment to reach the injured based on satellite navigation. The innovation involves unmanned aerial vehicles, which, using AI solutions, will be employed to search for missing individuals.

BALTA launched the program: "**Safe from Day One**", which provides free ADD insurance for newborns and is aimed at reducing financial instability for families and providing them with peace of mind. As part of the annual community initiative: "**Crazy Safe Summer**", free ADD insurance for children was provided. In addition, BALTA also participated in the social program: "**Latvian Family of Honor**", developed by the Social Integration Foundation, and the program: "**Privilege Card**".

In 2025, Lietuvos Draudimas continued its "**Protect me**" action to promote road safety. The action was dedicated to children and young people. The company provided insurance for young people returning to school after the vacations. In 2025, 350,000 children were insured against traffic accidents. In 2025, Lietuvos Draudimas launched a preventive campaign targeting customers with home insurance. In order to reduce risks associated with hazards such as fire, flooding, and other damage, free technical inspections of households were offered to 12,000 customers. They included inspections of heating, electrical and sewage systems.

In 2025, the PZU Foundation implemented its own social campaign: **#Czysty Przekaz** (#Clean Message) to combat disinformation, build public resilience to fake news, and promote critical thinking.

Educational activities

"**Bakcyl**" (Bitten by the Bug) is a program implemented by the Pekao Group in cooperation with educational institutions, NGOs, and local governments since 2013. The program mission is financial education for children and young people in the areas of finance, economics, entrepreneurship, and cyber security.

In 2025, Armatura Kraków once again organized an educational contest for children in the Nisko County called "**Eko-bohaterowie**" (Eco-heroes). The aim of the contest was to popularize knowledge on environmental protection and promote ecological attitudes among the youngest residents of the region.

PZU TFI implemented the 2nd edition of the TFI Academy program in 2025. The program was dedicated to students majoring in economics or science. The purpose of the Academy was to educate on: the management of investment funds and assets, the analysis of financial instruments, and the functioning of financial markets. The Academy was organized in cooperation with Bloomberg, a technology partner.

BALTA continues its efforts under the initiative: "**Balta Safety Academy**", which include providing insurance for more than 26,000 children by 2025 and for a total of over 1 million children since the launch of the initiative. In 2025, BALTA participated in the national youth project "**Be a Leader**!" by organizing a competition to familiarize students with the specifics of the insurance profession. The company also continued to organize internships for students at Riga Technical University and participated in the professional education program: "**Shadow Day**".

Assistance in Ukraine

The PZU Group also performed aid activities in Ukraine, where it regularly supported the charity organization "**Road to Life"**, which cares for children with disabilities. A charity run "Kyiv Unbroken Half Marathon 2025" was organized. In addition, a specific program was implemented to provide financial support to the Group's employees and their families who were affected by the Russian Federation's attack on Ukraine.

Sports and health

PZU has supported the development of amputee football since 2021. The insurer continued its involvement as, among other roles, Strategic Sponsor of the Futbol Plus project dedicated to children with various disabilities. In 2025, PZU became the main sponsor of the national tournament "**Z Orlika na Stadion**" organized under the "Active School" program.

In 2025, PZU also sponsored such sports events as: Tour de Pologne, Tour de Pologne Junior, and PZU Gran Fondo Series. The goal was to encourage physical activity, as well as promote fair play values, health, and traffic safety.

BALTA promoted healthy lifestyles and integration through sports sponsorship for events such as the "EuroBasket 2025", "Alūksne Triathlon 2025" and "Ādaži Sports Championships".

PZU continued its involvement in the educational program: **"Ratujemy i Uczymy Ratować"** (We Save and Teach to Save), implemented by the Great Orchestra of Christmas Charity Foundation (WOŚP). Through this initiative, teachers across Poland learned first aid principles and then passed this knowledge on to students of primary schools.

The **Szpital 360** (**Hospital 360)** project was implemented at TUW PZUW. It included visits to selected medical facilities, led by doctors with medical and insurance experience. They analyzed procedures, the day-to-day management, and the organization of the medical entity. Following each visit, recommendations are prepared as a starting point for further actions. These include free upskilling trainings for medical personnel to improve the quality of health care and enhance patient safety. In addition, TUW PZUW supported medical facilities through the purchase of medical equipment from its prevention fund.

The PZU Zdrowie Group organized nationwide oncology campaigns: **#myBREASTfriend** and **#dlaKOLEGIpytam** (#askingforaFRIEND). The campaigns were conducted via social media using educational materials and interviews with doctors and experts. The goal was to encourage people to take preventive examinations.

LINK4 implemented the **"4xJAKOŚĆ"** (4xJAKOŚĆ) initiative, which aimed to improve quality in the areas of mental and physical health, as well as products and services. The project included webinars, meetings with experts, talks on harmony between body and soul, healthy eating, vitality, fighting depression, and parenting without pressure.

We care about culture

PZU engaged in projects to preserve cultural heritage and support the accessibility of culture to the general public. The initiatives that PZU joined in 2025 included: sponsorship of the 1000th Anniversary of the Coronation of Bolesław I the Brave, patronage of the Warsaw Rising Museum, the Royal Łazienki Museum in Warsaw, the Great Theater—National Opera, the National Museum in Warsaw, the National Museum in Krakow, and the Grand Theater in Łódź. PZU was the Gold Partner of the Nineteenth International Fryderyk Chopin Piano Competition and the "Chopin and his Europe" Festival.

Support for biodiversity

BALTA entered into a sponsorship agreement with the "Riga Zoo" to support the modernization of an enclosure for ring-tailed lemurs, which are among the endangered species.

Employee volunteering

In 2025, as part of the volunteer initiatives, PZU employees completed 29 in-house projects (50 in 2024) and dedicated 5490 hours to volunteering (7696 in 2024) helping 3902 beneficiaries (9710 in 2024). Their assistance reached also 831 animals (1453 in 2024).

Pekao Group Volunteering Activities were conducted through the Bank's Pekao Foundation, addressed statutory Foundation goals, and were implemented under the relevant regulations and orders of the Bank.

Other entities in the Group implemented volunteering initiatives on their own, often supporting local communities in need of assistance.

Costs incurred by the PZU Group for preventive activities reported in the Consolidated Financial Statements for 2025 are shown in Table 25 Other operating expenses under Prevention costs, and they amounted to PLN 78 million in 2025 and PLN 74 million in 2024.

Specific sponsorship and preventive initiatives were developed and implemented in response to the needs and voice of the community. Actions in this area are launched in response to requests. In accordance with internal regulations, prevention and sponsorship requests are subject to substantive evaluation and then submitted to the Sponsorship and Prevention Committee for decision. This process ensures stakeholder participation and real shaping of activities for the community.

The process of monitoring the implementation of each preventive and sponsorship initiative begins with the evaluation of the request and the Committee's decision. Each request is registered in the internal system for handling sponsorship and prevention requests. A request may be accepted for implementation after an agreement has been entered into with the counterparty. The evaluation of the effectiveness of each initiative is composed of two stages: the *ex-ante* stage, i.e. forecast evaluation, and the *ex-post* stage, i.e. the verification of the achieved results. Each counterparty is evaluated in terms of its resources, required standards and certificates, meaningful experience, and holding relevant authorizations to perform the task. The evaluation is recorded in the system. The implementation of each initiative finishes with the preparation of a report, which is subject to substantive review and approval of the internal unit at PZU. Details of the process are provided in PZU's internal regulations for the prevention and sponsorship area. The PZU Group reports on the final results of the implementation of its social activities as part of its sustainability reporting. Presenting information on the implementation of business strategy and initiatives is not only fulfillment of the PZU Group's disclosure obligations but also an active form of communication with stakeholders. More detailed information about ongoing activities is available on the PZU Group's website and social media.

Other entities in the PZU Group monitor the implementation of their own initiatives in accordance with their internal regulations.
A report is drawn up on the implementation of each initiative.

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

8.4.5. Targets related to managing impacts, risks and opportunities

The strategic KPI for social activities was to reach an audience of 15 million through the ongoing initiatives on safety and sustainable lifestyle. The stated target was internal and was pursued by PZU, PZU Życie SA, and the PZU Foundation. In 2025, an implementation level of 16.1 million recipients was reached, with this number including the estimated media reach of the implemented social campaigns. The target fails to meet MDR-T requirements. The Group's other entities also do not have targets that meet ESRS requirements.

In its ESG Strategy for 2025–2030, BALTA has set three targets in the social area:

- improving the quality of life and promoting safety through the "Balta Safety Academy" platform. Looking ahead to 2030, BALTA plans to double the number of new platform users compared to the previous year. The achievement of this target in 2025 was 70%;
- creating a sustainable workplace by supporting diversity and ensuring equal treatment. Looking ahead to 2030, the company will aim to achieve an employee experience indicator of 85% and narrow the pay gap. The achievement of this target in 2025 was 80% for the employee experience indicator and 33% for the unadjusted pay gap;
- promoting safety and preventing risks through educational and awareness-raising campaigns.

As for strategic targets, they are in the nature of performance measures and are set internally within the organizational structures. The public is not consulted in this regard. Targets set internally are reflected in PZU's ambitions.

8.5. (S) Social – customers and end-users

[S4.SBM-2] Interests and views of stakeholders

[S4.SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

8.5.1. Managing material impacts, risks and opportunities and their interactions with strategy and business model

Based on a double materiality assessment, the PZU Group identified consumer and end-user groups. The Group analyzed all consumer groups that could be materially impacted, including both direct customers of PZU Group entities and end-users. The analysis included the identification of impacts, risks and opportunities. Still, the PZU Group did not identify any significant positive impacts in supply chain and own investments due to the indirect and limited impact on consumers and end-users. Further, the assessment did not identify any significant impacts, risks or opportunities related to consumers who are business customers, which means that this segment was considered insignificant from a reporting perspective.

The assessment identified key consumer groups that the PZU Group could have a material impact on, with a particular focus on those at risk of exclusion or requiring special service:

- life and health insurance clients – all policyholders of life and health insurance offered by PZU Group entities, including potential clients, with particular focus on clients with disabilities and senior clients (individuals over 65 years old);
- non-life insurance clients – all policyholders of non-life insurance offered by PZU Group entities, including potential clients, with particular focus on clients with disabilities and senior clients (individuals over 65 years old);
- investors in investment and pension funds – all clients holding investment and pension products offered by PZU Group, including those with life and health insurance that include investment components;
- retail banking customers – all Bank Pekao and Alior Bank retail banking customers, with particular consideration for elderly people, people with disabilities, and people with lower financial knowledge;
- PZU Zdrowie patients using medical services – all patients of PZU Zdrowie Group, with particular attention to residents of rural areas and towns under 100,000 inhabitants.

Material impacts

The PZU Group takes a systematic approach to identifying and minimizing negative impacts on consumers and end-users, focusing on such areas as privacy, responsible information about products and services, and the assurance of accessibility and inclusion. Potential material or negative impacts include misleading, discrimination, and irresponsible marketing practices that may hinder customers' ability to make informed decisions and may lead to financial difficulties. Failure to ensure personal data security can result in identity theft, financial loss, and a decline in trust, consequently affecting customer welfare and the PZU Group's reputation and generating potential negative impact, financial and systemic risk. In addition, at the individual level, negative impacts can lead to a lower sense of financial security, stress, limited access to services, and deterioration of the living situation of individual customers. Positive impacts on the key customer and end-user groups:

- life and health insurance customers – inclusion of mental health aspects in health insurance, expanded coverage to include both physical and mental health, along with psychologist support during rehabilitation after an illness;
- non-life insurance customers – providing communication channels, including complaint mechanisms, allows for building trust, solving problems, collecting feedback, and strengthening the relationship with customers. High availability of PZU branches adapted to people with mobility impairments (more than 70% of branches). Communication and customer service procedures tailored to the needs of seniors. Rapid response procedures in case of mass damage;
- investors in investment and pension funds – PZU's investment and pension funds offer information to help identify investments that directly and indirectly support sustainable development goals, empowering customers to make financial decisions aligned with sustainable development principles;
- retail banking customers – increasing inclusion in financial services by offering banking products that are accessible to different customer groups, including young people, seniors, and lower-income earners, as well as ensuring product accessibility by translating key documents into Ukrainian;
- PZU Zdrowie patients – the impact on the protection of customer rights by the Patients Ombudsman. Medical packages in a wide price range, equalizing access to private healthcare, particularly in smaller towns, thanks to the high availability of clinics and outpatient facilities outside major urban areas.

Material risks

While implementing positive actions, the PZU Group identifies areas for improvement and identifies potential risks related to consumers and end-users:

- life and health insurance customers – insufficient transparency of information may lead to misunderstandings and decreased customer trust.
- PZU non-life insurance customers – insufficient transparency of information and inadequate

protection of sensitive data can limit customers' ability to make informed decisions, lead to misunderstandings, and reduce trust in the PZU Group;

- retail banking – legal risks resulting from violations of regulations or rules for structuring contracts with customers, which may lead to claims, sanctions or legal costs. Misselling may result in customer complaints, supervisory proceedings, lawsuits, and the need to pay compensation, generating legal and financial costs. There is increased risk associated with the imposition of penalties by UOKiK as a result of Bank Pekao's practices, including those related to free-credit sanctions and unauthorized transactions. Due to increasing customer activity and consumer protection by the regulator, which is initiating more proceedings against the Bank, the probability of this risk materializing in 2025 was identified.

The PZU Group pays special attention to the needs of vulnerable customers, including elderly people, people with sensory, physical and cognitive disabilities, and people with chronic diseases. To this end, solutions are being implemented to make services more accessible. These solutions include adapted service procedures, simplified visual communication, materials in plain language, and the development of digital channels. To provide an example, the mojePZU platform and the "Wojażer – Ask for Assistance" function enable quick contact with a consultant to arrange medical assistance. Information about the mojePZU platform is available in the Chapter "Business Model": subsection "Insurance Products".

In the area of innovation, the PZU Group is developing automation and robotization of processes, as well as introducing solutions to enhance security. Bank Pekao and Alior Bank implemented additional transaction security measures, including two-factor authentication and anti-fraud systems, to protect customers from unauthorized operations. Alior Bank conducted research with children (7–13 years old) and seniors (80+) to better understand the needs of groups exposed to marginalization. Bank Pekao modernized 12 branches, adapting them to the needs of people with disabilities.

The PZU Group actively supports vulnerable customers, such as elderly people, people with disabilities, migrants, and residents of smaller towns. These activities include: adaptation of facilities and products to the needs of vulnerable groups; simplified visual and linguistic communication; development of online services and telemedicine; and psychological and rehabilitation support.

Material opportunities

PZU Group identified the following opportunities related to consumers and end-users:

- investors in investment and pension funds – with financial education, there is an opportunity to raise customer awareness of investing, which may lead to greater confidence in funds and an increase in the number of investors. Safe investment products are an opportunity to build stability and loyalty among customers who are looking for capital protection while enjoying moderate growth, which is especially important during periods of economic uncertainty.

In addition, PZU conducts comparative analysis (benchmarking) with European insurers and demographic research, and it identifies strategic opportunities related to tailoring its offerings to the needs of seniors, which opens access to a growing market segment. By organizing a series of "Senior Academy" seminars, PZU Zdrowie identifies the needs of this customer group and builds relationships, gaining a competitive advantage.

ESG-related issues in product development process

In 2025, the PZU Group continued to implement the principles of responsible business and sustainable development in the processes of creating new products and modifying the existing ones. All insurance products are designed in accordance with legal regulations, KNF guidelines and internal product management procedures, and they are analyzed in terms of ESG factors. Solutions were introduced to minimize the risk of negative impact on customers, including mechanisms for monitoring service quality, analysis of complaints, and regular customer satisfaction surveys.



[S4-1] Consumer and End-User Policies

8.5.2. Policies related to consumers and end-users

To effectively manage the identified impacts, risks, and opportunities, PZU Group implemented policies and regulations in place to ensure transparency, ethical conduct, and the protection of consumer rights. Below are the key policy categories from the perspective of consumers and end-users.

The functioning of the PZU Group is based on compliance with national, EU, and international laws and regulations, covering both the insurance and banking sectors. In relations with consumers and end-users, regulations specific to both areas are crucial and include the Act on Insurance and Reinsurance Activity, Act on Insurance Distribution, and provisions under the IDD, as well as the Consumer Loan Act, MiFID provisions on offering investment products, and EU delegated regulations governing product supervision and distribution processes.

In the banking area, the essential legislation includes provisions of the Banking Law, in particular those regulating disclosure obligations to customers, rules for creditworthiness assessment, requirements for the security of funds, the maintenance of accounts, and the application of prudential supervision measures. Also relevant are regulations on combating unfair market practices, including the Payment Service Act and PSD2, as well as obligations under the Anti-Money Laundering and Countering the Financing of Terrorism (AML) Act, and provisions on customer identification and verification (KYC). In terms of personal data protection and information security, the standards for operations are set by the General Data Protection Regulation (GDPR) and the guidelines of supervisory authorities.

The PZU Group also applies the recommendations of the supervisory authority (KNF) for insurance companies regarding the product management system and meets the requirements under EU regulations, including:

- Commission Delegated Regulation (EU) 2017/1469 of 11 August 2017, establishing a standardized format for the presentation of a document containing information on insurance products (for property products and other casualty insurance products), commonly referred to as the Insurance Product Information Document (IPID);
- Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents. Consequently, the Key Information Document (KID) accompanies all products for which this is required according to the regulation.

PZU Group targets are accordance with global norms and commitments, including:

- ISO 9001 – Quality Management System;
- ISO/IEC 27001 – Information Security Management Systems.

The PZU Group implemented policies, procedures, and principles that ensure compliance with legal regulations, protection of consumer rights, and high quality service. The most important ones include:

Policies to protect customers' personal data

The policies aim to ensure that all processes related to the processing of personal data comply with the General Data Protection Regulation (GDPR). There are equivalents of "Personal Data Management Principles in PZU SA and PZU Życie" in other PZU Group companies. These principles define activities in terms of privacy, information security and transparency of data processing throughout the PZU Group.

Policies are in place at all PZU Group entities and cover all processes in which personal data of customers, employees, co-workers and contractors is processed. They apply to data obtained under insurance, banking and investment contracts, as well as employee data.

Main objectives:

- ensuring compliance with GDPR and national data protection regulations;
- protecting the privacy of individuals through the use of adequate technical and organizational safeguards;
- minimizing the risk of data security breaches and unauthorized disclosure;
- ensuring transparency in how data is processed and the right of access to information;
- building trust with customers, employees and partners through responsible data management.

Implementation principles:

- personal data are processed in accordance with the principles of legality, minimization, integrity and confidentiality;
- only authorized persons have access to data, and all IT systems are secured according to the highest cybersecurity standards;
- procedures are in place to respond to incidents and data security breaches, including the obligation to report violations to the supervisory authority;
- every customer and employee is provided with rights under the GDPR, including the right of access, rectification, erasure of data and the right to object to its processing;
- regular training of employees in data protection and work ethics.

Implementation mechanisms:

- security management policy in the PZU Group;
- procedures for handling requests for personal data;
- a system for monitoring incidents related to privacy;
- compliance audits and security effectiveness assessments.

Supervision and responsibility:

Implementation of the policy is the responsibility of a specific organizational unit in PZU Compliance Department. In addition, each Group entity has a dedicated unit responsible for monitoring compliance with GDPR.

Human Rights Policy in the PZU Group

Respect for human rights is the cornerstone of the PZU Group's relationship with customers and other stakeholders, as reflected in the “Human Rights Policy in the PZU Group", which is in line with UN and OECD guidelines. The Group ensures equal treatment of customers, non-discriminatory nature of services, wide availability of outlets and remote channels, and offers products targeting vulnerable groups, while addressing these issues in its investment processes and operational and compliance risk management system.

For a broader description of the Policy, see Social - Employees of PZU Group.

In 2025, there were no incidents regarding respect for human rights and non-compliance with UN and OECD guidelines against the customers and end-users.

Security management policy in the PZU Group

The PZU Group's Security management policy governs the protection of data and information systems, countering cyber threats, and managing risks associated with cyber-attacks.

For a broader description of the Policy, see the Cybersecurity section.

Customer experience management policy

The Customer experience management policy focuses on optimizing service processes, eliminating communication barriers and improving the quality of customer interactions, and supports building long-term relationships based on trust. The policy covers all entities of the PZU Group (excluding Alior Bank and Bank Pekao).

Marketing Policy of PZU Group

The PZU Group's marketing policy ensures consistency in advertising and promotional activities and compliance with the Code of Ethics in Advertising, defines standards for reliable communication, prevents misleading practices and promotes responsible marketing practices.

Principles regarding the insurance product management system.

The principles for an insurance product management system specify requirements throughout the product life cycle – from design to sales to claims handling. They ensure compliance with the KNF’s recommendations and Commission Delegated Regulation (EU) 2017/2358 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors.

CRM cooperation policy

The CRM cooperation policy improves customer relationship management by using analytical tools to personalize service and increase customer satisfaction.

The above policies cover all PZU Group entities except Alior Bank and Bank Pekao, which have adopted their own policies.

In the area of retail banking, most processes are governed by policies adopted by banks, such as the Code of Conduct, the Policy for the process of implementing new products, the Customer experience management model, the Marketing policy, the Personal data retention policy at Bank Pekao, the Information policy, the Policy of preventing dishonest sales, the Personal data protection policy and the Principles of responsible marketing at Alior Bank.

Additionally, the PZU Group takes into account international standards, such as the OECD and UN guidelines, as well as internal procedures ensuring compliance with consumer protection regulations.

In the coming years, the PZU Group anticipates further activities in this area, including the development of tools to monitor the risk of greenwashing and training for employees in responsible communication and sustainability reporting.

Remedies such as compensation, mediation or psychological support are used when incidents occur. In 2025, there were no reported violations of UN and OECD guidelines at any of the PZU Group companies.

As a result, consumers and end users receive – in a transparent and concise form – information that is important to them, enabling them to both understand and compare the products offered on the market. Documents are provided during the sales process and can also be found on the product websites of PZU Group entities.

[S4-2] Processes for engaging with consumers and end-users about impacts

8.5.3. Processes for engaging with consumers and end-users about impacts at PZU Group

The customer segmentation used by the PZU Group makes it possible to tailor products and communications to the needs of different audiences, including those particularly vulnerable to exclusion. The product design process takes into account the analysis of the characteristics, goals and expectations of target groups and the identification of so-called “antigroups” for whom the product will not be suitable. Each product is tested prior to launch and is subject to constant monitoring and regular review against customer needs, characteristics and goals, including possible sustainability goals.

Monitoring of performance against consumers is done by analyzing complaints and grievances, the results of satisfaction surveys, and indicators such as Net Promote Score (NPS) and Customer Satisfaction Score (CSAT). The NPS index is standardized and adopted globally. It allows for comparisons over time and to benchmark against competitors. Clients are asked how willing they are to recommend the brand to their family and friends. A high CSAT indicates good service quality and high customer satisfaction, while a drop in value may signal a need for improvement.

Regular reports make it possible to assess service efficiency and identify areas for improvement. Insurance and banking entities engage customers in the process of improving their offerings, using their feedback and suggestions to modify products and procedures. The changes being implemented, such as simplification of documentation and development of digital channels, are aimed at increasing the availability of services, improving the quality of service and minimizing the risks associated with underinsurance.

NPS surveys at insurance and banking entities are conducted on a monthly or quarterly basis and include both an assessment of overall impressions and individual interactions. The results are used to identify areas for improvement and implement recommendations in service processes and offerings. PZU and PZU Życie maintained their high NPS levels in 2025, while Bank Pekao and Alior Bank saw further increases in their ratios due to improvements in service and transaction security. Foreign companies such as BALTA have implemented additional measures, including full online accessibility of services in accordance with the Web Content Accessibility Guidelines (WCAG) and simplification of insurance terms and conditions.

When developing new products and services, Alior Bank seeks to protect customers' interests from potential harm by consulting with substantive units, ensuring the highest standards of regulatory compliance.

The PZU Group engages customers through a variety of communication channels - helpline, mojePZU platform, online forms, stationary branches, and complaint processes, mediation and settlement negotiations. Customer feedback is used in the design of new products and services, allowing the Group to better tailor our offerings to their needs. Bank Pekao and Alior Bank conduct opinion research on a continuous basis, using online and offline tools, focus studies and dedicated surveys. The results of the analysis are communicated to process owners on a monthly or quarterly basis, which enables quick response to problems and building positive relationships.

The above activities are carried out by specialized units within PZU, such as: the Customer Experience Management Department, the Claims and Benefits Handling Department and the product management departments, which take care of service quality, regulatory compliance, and customer support in difficult situations. The Compliance Department, in turn, is responsible for ensuring that the activities of PZU and PZU Życie comply with applicable legal regulations, ensuring adherence to both regulatory requirements and ethical standards. In the product design process, PZU ensures that the people involved have the knowledge necessary to understand the needs of the target groups, and that the sales system makes it possible to tailor offers and assess risks. At Bank Pekao, the Compliance Department oversees controls to ensure product compliance with regulations and market standards. In contrast, at Alior Bank, the product design and evaluation process is supported by the Innovation Department, where the UX and Product Research Team conducts research with users, the Digital Accessibility Manager acts as an advocate for people with special needs and promotes inclusive design, and the Complaints Handling Team provides information on areas for improvement.



[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

8.5.4. Remedying PZU Group's negative impacts on consumers and end users

Implemented approach to corrective action in the PZU Group

The PZU Group implements corrective actions based on adopted procedures and policies, including the Personal data protection policy and procedures for handling complaints and claims. PZU has a Closed Loop model for improvement, which defines how pro-customer initiatives are defined, implemented and monitored. The goal is to improve the customer experience, design new products according to their needs and improve service processes.

Training has been implemented for employees on ethical marketing, data protection and anti-discrimination. Customers have access to various channels to report problems, comments and complaints. Among available reporting channels are:

- Customer Hotline - 24/7 PZU telephone support handled by specialized personnel offering assistance with complaints, inquiries, and reports;
- mojePZU platform – allows customers to conveniently report issues, submit complaints, and monitor request statuses;
- Online contact forms – forms available on PZU websites enabling customers to submit feedback and requests without visiting branches;
- Branch locations - clients can visit any PZU branch to report an issue or submit a complaint in person;
- Email addresses and traditional correspondence - PZU provides the possibility of submitting complaints in writing, either electronically or in traditional form;
- Customer Ombudsman - a dedicated function within PZU that allows customers to report matters of particular importance such as cases requiring mediation or an individual approach;
- Health Ombudsman - engages in dialogue with patients while maintaining impartiality. Health Ombudsman analyzes patient-submitted cases objectively and assesses service quality and applied procedures;
- Anonymous reporting channels - PZU enables clients to submit concerns anonymously via secure dedicated online forms and external mediation platforms that enhance customer security and facilitate the reporting of sensitive issues.

In the area of retail banking, Alior Bank and Bank Pekao have their own channels for contacting customers. These include bank branches and outlets, a hotline, electronic banking, and e-mail.

Alior Bank and Bank Pekao have also established the function of the Customer Ombudsman.

In addition, external mechanisms such as mediation by the UKNF and the Financial Ombudsman are available to customers. In the area of insurance and banking there are dedicated contact channels and Customer Ombudsman functions.

Monitoring and evaluation of effectiveness

The PZU Group monitors service quality by analyzing NPS indicators, satisfaction levels and the number of complaints resolved at first contact. Regular reports and calibration sessions allow corrective actions to be implemented on an ongoing basis. In 2025, the Group introduced additional tools for real-time monitoring of claims and implemented functionality for reporting complaints through the mojePZU platform. If the customer does not accept the decision, it is possible to contact an expert to jointly work out a solution that meets the customer's expectations.

In the property insurance segment, statistical analysis and customer feedback analysis are used to tailor operations to the scale of various challenges. Key customer relations tools are based on clear communication, simplified documentation, mediation and settlement negotiations. In life and health insurance, the PZU Group implements market standards to ensure transparency of information, elimination of discrimination and protection of personal data. The healthcare sector is using GDPR-compliant risk assessment systems to enhance the security of patient data processing.

In the area of investments and pension funds, the PZU Group cooperates with industry institutions such as the Chamber of Fund and Asset Management in order to implement market best practices. Bank Pekao and Alior Bank prevent negative product impacts through compliance with regulations, KNF recommendations and market practices. PZU Group entities analyze complaints about IT products, services and systems, implementing adjustments to procedures, products and safeguards, especially in the area of cybersecurity. Banks minimize the risk of customer over-indebtedness through MIFID compliance mechanisms, educational campaigns and analysis of the reputational impact of marketing activities.

The PZU Group uses mechanisms to monitor the quality of service, analyze the results of complaints and grievances, and implement tools to improve customer security, such as identity verification, messages in English and Ukrainian, and the development of digital channels (such as mojePZU). In 2025, the mojePZU portal introduced additional functionality, such as process automation, documentation simplification and the ability to report complaints through a self-service portal. All these measures are aimed at increasing customer confidence and reducing potential negative impacts.

Corrective and preventive actions

Each report is analyzed to identify the causes of problems and implement system corrections. In the case of violations of consumer rights, remedies such as mediation, negotiation, compensation or psychological support are used. PZU Group entities ensure confidentiality of data and protection against retaliation, and employees are trained in ethical handling and anti-discrimination.

Support for vulnerable groups

The PZU Group has introduced simplified visual communications and materials for seniors and people with disabilities. PZU branches offer service points tailored to the needs of vulnerable groups, and local education campaigns raise customer awareness of

available channels for reporting problems. Documents are made available in formats useful to people with disabilities (audio, video in PJM, Braille, enlarged font). Bank Pekao modernized bank branches by introducing “Senior Zones” and developed digital services for people with mobility limitations.

Complaints and claims indicators

During the reporting period, the PZU Group received a total of 447,006 complaints and claims from consumers and end users, representing an increase of 7.6% compared to the previous year. The increased number of reports is primarily due to the increase in the number of customers and users, the expansion of product and service offerings, as well as customers' growing awareness of the availability of various contact channels.

Measurement uncertainties account for potentially two assumptions:

- PZU Zdrowie and Pekao Group report investment and pension fund claims as the number of complaints;
- Within retail banking, Bank Pekao and Alior Bank also serve customers who are sole proprietors.

Summary of the number of complaints by value chain element

Report category	2024	2025
Life and health insurance	65,532	67,686
Non-life insurance	76,717	86,716
Investments and Pension Funds	214	733
Retail Banking	269,544	286,640
Healthcare	3,497	5,231
Total	**415,504**	**447,006**

[S4-4] Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

8.5.5. Actions addressing impacts on consumers and end-users

The PZU Group is working to identify and minimize negative impacts on consumers and end users. The process is based on analysis of complaints, claims, satisfaction surveys, and NPS and CSAT indicators. This data is used to identify corrective actions, optimize service processes and design new solutions in line with customer needs.

Impacts on consumers or end users related to information and personal safety

In terms of non-life insurance PZU Group leverages statistical analysis and customer feedback to tailor responses to identified issues. Enhanced communication transparency, documentation, and mediation are key tools in dispute resolution.

In terms of life and health insurance PZU Group applies industry standards ensuring transparency, non-discrimination, and data protection.

Regarding investment and pension fund governance PZU Group cooperates with the Chamber of Fund and Asset Management in order to implement best market practices.

In the healthcare sector, the PZU Group implements risk assessment systems in compliance with GDPR regulations, enhancing the security of patient data processing.

In the retail banking segment, Alior Bank prevents negative effects of products by preparing them in accordance with legal standards, recommendations of supervisory bodies, industry practices and market practices.

Through continuous market monitoring and analysis, the PZU Group effectively minimizes actual and potential negative impacts of its operations, adapting its activities to evolving customer needs.

The PZU Group analyzes customer complaints about IT products, services and systems, monitors their number and causes. The banks implement corrective measures such as procedure updates, product enhancements and strengthening cybersecurity and customer financial security measures.

Preventive, mitigating, and corrective actions

The PZU Group takes proactive measures to prevent, mitigate, and remedy significant negative impacts on consumers and end-users. Key initiatives include:

1. Prevention

Regular reviews and updates to customer data security procedures are conducted to minimize privacy breach risks.

Implementation of analytical tools for early risk detection, and employee training on preventing discrimination and promoting equality in customer service.

Employee training on risk identification and management, including discrimination prevention and promotion of equality in customer service.

Development of operational risk monitoring systems and early problem detection tools.

Customer education campaigns on threats, fraud methods and how to avoid them, including to reduce unauthorized transactions at Bank Pekao and Alior Bank.

Continuous monitoring of products and processes – assessing compliance with customer expectations and quality standards in product management.

2. Mitigation

Simplified processes for handling complaints, mediation and negotiations with experts, which reduce waiting times and reduce the burden on customers.

Financial and technological support for vulnerable groups (seniors, people with disabilities) by adapting processes to serve these groups.

Mediation and negotiation with experts in difficult situations.

3. Remediation

Organizing remedial programs in case problems are detected in customer service processes, including compensation for losses resulting from operational errors.

Providing rehabilitative and psychological support for customers affected by serious incidents (health-related or financial).

Request handling process – ensuring prompt and timely processing of submissions and providing comprehensive, understandable feedback. The timeliness of responses is periodically monitored and reported.

Initiatives generating additional positive impacts

During the reporting period, the PZU Group implemented a number of sustainability initiatives for the benefit of customers and end users:

1. Educational programs

- PZU Zdrowie ran a pro-health blog and prevention campaigns, e.g., “Parent Academy”, “Senior Academy” and #HealthyCareer, to support the health of customers and their families;
- Bank Pekao and Alior Bank have carried out educational programs for children and young people, such as the audiobook “Bajki Oszczędzajki”, the book “Porwanie Pani Złotówki” and the report “Finansowy świat dziecka” promoting financial knowledge and responsible use of banking products.

The PZU Group also organized seminars, information campaigns and thematic guides available online that support the development of financial literacy in the areas of household budget management, investing, saving, use of banking products and applications, and financial risk management.

2. Pro-customer initiatives

- Implementation of educational and social programs on environmental protection and risk management. The PZU Group actively supports customers' green choices by offering products where the subject of insurance is photovoltaic installations, wind power plants, biogas plants, sewage treatment plants and recycling activities, among others;
- providing the moje.pzu.pl portal as a tool for comprehensive online case management;
- programs to help accident victims, psychological and rehabilitation support;
- information campaigns in social media (e.g., PZU Ukraine) on risks, fraud prevention methods and specifics of insurance products;
- Bank Pekao’s initiatives aimed at reducing the risk of misleading customers regarding the free-credit sanction (FCS). These actions included adjusting contract templates and APR (RRSO) calculation principles to the requirements of the Consumer Credit Act, limiting the scale of new sales with potential FCS risk, and refinancing agreements burdened with FCS risk from the existing portfolio into new loans;
- Alior Bank's focus studies and customer satisfaction surveys, as well as the ability to report opinions through the “Customer Zone” service on the website. The results of the study are the basis for recommendations to business units;
- communication support in accordance with the principles of the Code of Ethics in Advertising, eliminating the risk of misrepresentation and ensuring the clarity of the message.

Progress and results achieved during the reporting period

The PZU Group has consistently implemented measures to improve the quality of customer service, increase the availability of services and minimize negative impacts. In the field of insurance operations, measures have been taken and good practices have been implemented, such as providing clear information, non-discrimination, and protection of personal data. The product offering is tailored to meet the needs of different social groups, including large families, children and corporate customers, offering them extended protection and support. Key achievements include:

- improving customer service processes through automation and development of electronic channels as part of the mojePZU platform;
- introducing modern technological solutions to increase customer security, such as automatic verification of PESEL number and electronic business card of Alior Bank employee;

- changes in the scope of protection in insurance products, e.g., PZU Dom introduced a change in the design of the product, as a result of which the PZU Group offers an “all risk” formula in the basic insurance coverage, as well as protection for photovoltaic installations and heat pumps;
- implementation of simplified complaint processes, which reduced case processing time;
- implementation of education and communication activities that improved the quality of information provided
and simplified documentation for customers;
- development of the functionality of the Life Customer Office in PZU Ukraine, enables self-management of policies online;
- support programs for those affected,
including rehabilitation and psychological assistance.

Ways of ensuring PZU Group’s practices do not contribute to significant negative impacts

The PZU Group has implemented procedures and mechanisms to eliminate potential negative operational impacts:

1. Internal audit and regulatory compliance

The PZU Group conducts audits of operational processes to ensure compliance with laws, including GDPR and consumer protection regulations. The audits cover areas of risk that may affect customers.

2. Impact on consumer analysis

The impact of products and services on various customer groups, including the elderly and those at risk of social exclusion, is periodically evaluated. Analyses are based on complaints data, satisfaction surveys and expert consultations for new products.

3. Policies to prevent negative impacts

Ethical marketing and sales policies have been implemented to eliminate the risk of misleading customers. Complaint procedures have been adjusted to minimize the negative effects of delays in processing reports, and products are monitored for compliance with customer expectations.

4. Education and trainings

Employees regularly participate in training on risk identification, anti-discrimination, data protection and building equality in customer service. The management implements programs to support the implementation of policies related to sustainable development and social responsibility.

5. Technological and procedural safeguards

The PZU Group uses solutions to enhance customer security and develops the mojePZU platform, which simplifies service and documentation.

Disclosure of major issues and incidents related to human rights in consumer and end-user relations

The PZU Group monitors and analyzes both potential and actual human rights incidents with consumers and end users. During the reporting period, there were no significant cases of human rights violations in connection with operational activities. The monitoring process includes analysis of complaints, claims and results of customer satisfaction surveys, as well as verification of compliance with legal regulations and internal policies of the PZU Group.

Resources allocated for managing significant impacts

The implementation of activities in relations with consumers and end users is the responsibility of specialized organizational units, including the Customer Experience Management Department at PZU, which analyzes customer feedback and recommends corrective actions, and the Customer Ombudsman, which assists in resolving difficult cases. Product offices tailor offerings to meet the individual needs of consumers, and PZU's Claims and Benefits Handling Department ensures efficient compensation processes. The Compliance Department at PZU coordinates ensuring the compliance of operations with applicable laws and accepted standards, and at Bank Pekao the Compliance Department designs control mechanisms. In addition, the PZU Group engages external partners such as NGOs and specialists in rehabilitation, psychological support and mediation, to provide a comprehensive approach to impact management.

1. Complaints and claims management

The PZU Group conducts analyses of complaints, claims and customer satisfaction survey results, using this data to implement corrective actions and optimize handling processes. The process of handling reports is monitored continuously, and the timeliness of responses is reported, providing greater transparency and efficiency.

2. Tailoring product offer to customer needs

PZU Group products and services are designed taking into account the needs of different customer groups, including the elderly, people with disabilities and those with the Large Family Card. The offer includes solutions to enhance safety and comfort, health care programs, and a wide range of insurance and investment products tailored to the expectations of individual and corporate customers.

3. Technological infrastructure development

The PZU Group is modernizing digital platforms, such as mojePZU, to provide convenient access to services and real-time case management capabilities. Integrated systems have been implemented for monitoring risks and analyzing notifications, allowing faster response and implementation of corrective actions. Bank Pekao is increasing digital accessibility by, among other things, providing descriptions for audio-video recordings for the deaf.

4. Support for vulnerable groups and education

The PZU Group implements information campaigns and educational workshops on consumer rights and personal data protection. In stationary branches, service desks adapted to the needs of the elderly and people with disabilities have been introduced, which increases accessibility of services and comfort of contact with counselors.

5. Transparency

Simplified and easily accessible informational materials on products and service procedures are created to ensure that customers fully understand the content. Consumer opinions are systematically collected and analyzed, and the results of satisfaction surveys are used to design new solutions and map customer paths.

The role of PZU Group's business relationships in managing consumer and end-user impacts

The PZU Group uses its business relationships to manage significant impacts on consumers and end users by working with external stakeholders and service providers.
In the area of life and health insurance, cooperation with employers makes it possible to offer group health insurance, and the experience from these relationships is used to optimize processes and tailor offers to all customers. In terms of claims and benefits handling, the PZU Group engages a network of medical, assessment, and rehabilitation service providers, ensuring efficient evaluation of accident impacts and access to appropriate benefits. Working with translators makes it easier to handle documentation in foreign languages, increasing customer convenience.

Relationships with accident repair service providers support quality management through monitoring and satisfaction surveys, and participation in industry organizations that promote responsible advertising practices reinforces standards for ethical communication. Banks in the PZU Group, in cooperation with third-party providers, have implemented tools to enhance customer security. These actions confirm the PZU Group's strategic approach to using business relationships to minimize risks and raise consumer protection standards.

Impact results

The PZU Group has pursued activities aimed at strengthening the positive and reducing the potential negative impacts of its services, developing products, service standards and the availability of solutions in key areas of its business – from life and health insurance to property insurance to investments, banking and healthcare. Ongoing initiatives took into account both the needs of customers and the results of ongoing monitoring of their experience, quality of service and potential areas of risk. This has enabled the PZU Group to respond effectively to the expectations of the various groups that use its services, and to improve its service, digital and advisory processes in accordance with the principles of a responsible approach to influence.

In **life and health insurance**, the PZU Group developed its offerings and service quality, including the introduction of PZU Perspektywa na Przyszłość insurance, implementation of the Free Rehabilitation Program and OPPW psychological support, and streamlining processes at PZU Zdrowie. Customer feedback was continuously taken into account by monitoring satisfaction with purchases, claims handling and complaints.

In **property insurance**, new features were introduced to improve the customer experience, such as Auto Serwis in PZU Auto and Self-Service NEXT with generative AI in PZU Dom. Foreign companies developed comprehensive services (e.g., Customer Experience Partner), trained employees, reduced complaints and increased online accessibility.

In **investment and pension funds**, the PZU Group provided equal access to products in accordance with prospectuses and managed risk and impact in accordance with the Group's strategy.

In **retail banking**, Bank Pekao focused on providing convenient, customized access to financial services, supporting customers at every stage of life and expanding accessibility in smaller towns, as well as increasing digitalization and remote service. At the same time, Alior Bank managed significant influence by supporting customers in resolving complex issues through its Customer Ombudsman function, conducting honest, straightforward communication and education in accordance with responsible marketing principles, and ensuring that products meet customer needs based on structured procedures for service design and introduction. Both banks pursued goals based on monitoring customer expectations, improving the quality of service and building offerings that meet customer needs.

In **healthcare**, PZU Zdrowie managed 130 of its own facilities – including more than 40 diagnostic imaging labs – and some 2,400 partner facilities in nearly 700 cities, as well as a medical hotline, the mojePZU portal and the Telemedicine Center, allowing it to deliver healthcare, including under the National Health Fund (NFZ), according to the customers' needs. Identification of potential negative impacts was carried out through ongoing dialog with patients, local communities, community organizations, educational institutions and academia, and using demographic data.

[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

8.5.6. Targets related to managing impacts, risks and opportunities

The ambition of the PZU Group is to continuously increase customer satisfaction, improve the quality of services and implement innovative solutions tailored to the changing needs of the market. The targets derived from the Group Strategy 2025–2027 in the area of consumers and end users are:

- 8 million users on mojePZU's digital channels by the end of 2027. At the end of 2025, the target achievement level was 5.8 million;
- the highest NPS in the market each year of the strategy's implementation. The relational NPS survey commissioned by PZU for 2025, conducted on a representative sample of Poles, ranks PZU number 1 in the market. The survey covers PZU and PZU Życie customers.

The above targets do not meet the requirements of MDR-T, but their achievement is systematically monitored by a set of internal indicators, such as the level and structure of complaints or other measures of service quality. In addition, KPIs are defined each year, reflecting both the expected level of indicators and specific activities to be performed. This allows for ongoing management of progress, identification of areas in need of intervention and maintenance of consistency with the Group's strategic goals. The methodology for determining these indicators is based on an analysis of national and international regulations (including GDPR, the Insurance Activity Act, KNF recommendations), a study of market trends and systematic monitoring of customer opinions (NPS, satisfaction surveys, complaint analysis). Stakeholder consultations are also taken into account, allowing the development of activities that respond to current market needs and local conditions.

Stakeholders, including consumers and end users, are involved in the goal-setting process by being able to provide feedback on the PZU Group's activities, product offerings and services provided. The feedback is collected through satisfaction surveys, online surveys, telephone reports and direct visits to branches. The results of the analysis are monitored and form the basis for introducing improvement measures in areas requiring improvement.

The PZU Group's adopted goals and actions are in line with the basic tenets of the Sustainable Development Goals (SDGs), in particular:

- SDG 3 – Good health and quality of life;
- SDG 9 – Innovation, infrastructure and industry;
- SDG 10 – Less inequality;
- SDG 12 – Responsible consumption and production.

To sum up, the PZU Group consistently pursues its ambitions in different areas of operation, concentrating on enhancing service quality, boosting customer satisfaction, digitizing processes, and responsibly managing risk and social impact.

8.6. (G) Business conduct

8.6.1. Ethics of business conduct and reporting violations

[G1-1] Business conduct policies and corporate culture

Policies adopted to manage the issue of ethical business conduct

The PZU Group shapes ethical standards in the financial sector, influencing both the behavior of its employees and business partners. It is also a signatory to the principles of the UN Global Compact, confirming its commitment to promoting responsible and sustainable development. The values and ethical principles applicable to PZU Group employees throughout the value chain are defined in the PZU Group's Best Practices, adopted by the PZU Management Board. The document aims to shape a consistent organizational culture based on the PZU Group's four key values:

- stability;
- integrity;
- innovation;
- responsibility.

The PZU Group's Best Practices adopt norms and standards of conduct in relations with employees, customers, contractors and local communities, strengthening trust and transparency throughout the PZU Group ecosystem. The values and principles described therein address such issues as:

- personal data protection;
- equal opportunities;
- information security;
- intellectual property;
- safe work environment;
- asset protection;
- clear rules for selecting suppliers;
- transparent principles of cooperation;
- fairness to competitors;
- conflict of interest;
- corruption and gift policy;
- counteracting money laundering and terrorism financing;
- reporting ethical problems and rules of conduct.

The obligation to comply with the adopted standards applies to all employees of the PZU Group, regardless of their position. The “Best Practices” have been made publicly available on the website of PZU Group, which means they are accessible to all stakeholders, including individuals responsible for their implementation. These practices serve as a unified framework of compliance standards and cover all PZU Group entities, with the exception of the Group’s banks, which have their own ethical codes.

The Pekao Group has a publicly available “Pekao Group Code of Conduct”, adopted by the Pekao Management Board, which contains the most important values and principles applicable to all areas of the Bank’s and its subsidiaries’ operations, including: acting in accordance with the law, internal regulations, recommendations of supervisory and control authorities and generally accepted market standards; striving to improve the quality of work and standards; building long-term relationships with clients based on mutual trust and transparent principles of cooperation; and knowing the risk culture, i.e. risk limits relating to the activities carried out, as defined by the Bank or other Pekao Group entities.

In Alior Group, on the other hand, values and standards of conduct are included in the Code of Conduct adopted by Alior Bank Management Board and publicly available. The code is based on the values of responsibility, openness, innovation and customer focus. In the Code of Conduct, the bank pointed out the responsibility of managers to promote, implement and adhere to ethics, took into account employee involvement, and stressed that equal treatment means treating all employees without prejudice, discrimination or favoritism based on any characteristic.

Other policies in the PZU Group are internal regulations such as operating procedures in the area of compliance, which are intended, among other things, to set standards for the performance of the compliance function in the PZU Group and to ensure effective management of compliance risk, including corruption risk. In the PZU Group, the compliance area is implemented systemically, in accordance with the adopted compliance rules. The Compliance Office operating in PZU is responsible for shaping systemic solutions in this area, acting as a competence center for standards of operation and issuing recommendations and guidelines to entities, especially as regards the implementation of internal regulations and laws. PZU Group entities are subject to specific, different legal regimes such as insurance law and banking law.
Within the framework of creating internal processes in this regard, there are distinctions mandated by the obligation to apply specific provisions of generally applicable law. Separate internal regulations address issues of counteracting corruption, whistleblowing, personal data protection, anti-money laundering and countering the financing of terrorism, rules of conduct in relations with suppliers, sanctions policy or rules for accepting and giving gifts.

Development of corporate culture

The PZU Group is constantly developing its corporate culture taking into account changing laws and business practices. An important element in the development of the PZU Group's culture is the updating of internal rules and policies, and various entity-dependent activities to promote awareness of the compliance culture. These include the use of available information channels such as newsletters or compliance alerts, and compliance training. In PZU, the selection of training courses, methods of conducting them and their participants is carried out on the basis of the results of the systemic assessment of compliance risk, ongoing compliance monitoring and information obtained from PZU Group structures. Other examples of activities that develop organizational culture in the PZU Group include integrating teams, engaging employees in social and health-oriented initiatives, and organizing events that promote values, such as volunteer campaigns or anti-corruption training described below. Evaluation of corporate culture is carried out, among other things, through employee satisfaction surveys, for example using the PZU Pulse. As part of the survey, employees confidentially share their opinions on important aspects of work, such as teamwork, feedback from the organization, and the implementation of PZU values in practice. The results of the survey are analyzed with the support of an external company and are used to plan further actions in the area of organizational culture.

Role of the Management Board and Supervisory Board in business ethics

PZU's Management Board and Supervisory Board (including the Audit Committee) perform key supervisory and decision-making functions in the area of compliance and policy establishment within the PZU Group. The Management Board is responsible for the strategic management of non-compliance, which includes approving compliance policies and other internal regulations, promoting and strengthening standards of conduct within the organization, overseeing the operation of the compliance area, and reporting to the Supervisory Board in this regard. The Supervisory Board, through the Audit Committee, performs a supervisory function by giving its opinion on the selection of the head of the Compliance Office at PZU and receives periodic reports on the implementation of the compliance function.

In addition, the PZU Group entities have codes of ethics for members of Management and Supervisory Boards, and persons performing these functions make statements confirming their knowledge of them, which reinforces the bodies' responsibility for overseeing compliance and ethical culture.

Whistleblowing and whistleblower protection

The PZU Group entities have separate rules for receiving and verifying whistleblower reports, as well as the procedures for handling reports and protecting whistleblowers adequate to the specific nature of the entities in question and the applicable requirements. The procedures adopted by the PZU Group entities comply with applicable laws, including the Act on the Protection of Whistleblowers. Entities that are not subject to legal requirements
for whistleblower protection due to the number of

employees, have implemented solutions for receiving and verifying reports of non-compliance that are adequate to their specific nature, such as allowing irregularities to be reported to a compliance email address or introducing confidentiality rules and conducting investigations with the protection of the whistleblower in mind. Regardless of the whistleblowing solutions implemented in entities, the PZU Group has channels for reporting violations to compliance units. All PZU Group suppliers can report human rights violations related to cooperation with the PZU Group entities to the e-mail address rzecznikklienta@pzu.pl.

The whistleblowing procedure in PZU and PZU Życie

In PZU and PZU Życie, acts or omissions that are unlawful or intended to circumvent the law should be reported in accordance with the whistleblowing procedure, which corresponds to the requirements of the Act of 14 June 2024 on the Protection of Whistleblowers. A whistleblower can be any individual who reports a violation or publicly discloses information about a violation obtained
in a work-related context, including:

- employee;
- temporary employee;
- person providing work on a basis other than an employment relationship, including under a civil law contract;
- entrepreneur;
- proxy;
- shareholder or partner;
- member of a body of a legal entity or an organizational unit without legal personality;
- person performing work under the supervision and management of a contractor, subcontractor or supplier;
- intern;
- volunteer;
- trainee.

Reports can be submitted through four channels: by phone (at +48 225822775), electronically (at sygnalista@pzu.pl), by traditional mail (to the Company's address: Biuro Compliance (Compliance Department), Powszechny Zakład Ubezpieczeń Spółka Akcyjna or Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna, Rondo Ignacego Daszyńskiego 4, 00-843 Warsaw, with a note: "report of violation - confidential") or in person, e.g. during a face-to-face meeting with the person processing the report by prior appointment.

Reports of violations can be submitted anonymously (when the Whistleblower does not disclose information as to their identity) or by name (with disclosure of the Whistleblower's data). The whistleblower, the person to whom the report relates, and the person assisting in making the report shall be ensured protection of personal data and full confidentiality of the information provided. It is prohibited to take retaliatory measures, make threats or attempt to do so on account of having made a report of a violation, against the whistleblower, persons associated with the whistleblower, and persons assisting the whistleblower in reporting a violation.

Objectivity and independence in incident investigation

In PZU and PZU Życie, reports of suspicions and incidents that may indicate violations are handled by a separate unit, independent of operations, authorized to receive and verify reports and experienced in in conducting investigations. Its independence is ensured by appropriate placement in the organizational structure, unrestricted access to documents and information, as well as the right to formulate independent conclusions. The process involves a limited number of people who make a statement confirming that they have read and understood the procedure, will comply with it, and undertake to maintain the confidentiality of information and personal data obtained in connection with the report, even after the termination of the employment relationship or other legal relationship under which they performed these duties. In other PZU Group entities, the receipt and verification of reports is carried out in accordance with the applicable regulations. Reports are recorded and analyzed by designated compliance units, and investigative and corrective actions are taken if necessary.

Reporting incident investigation results to the Management Board and Supervisory Board

In PZU and PZU Życie, information on the number of reports and the number of violations found, including those involving corruption and bribery, is reported periodically to the Management Board and the Supervisory Board of PZU. In other PZU Group entities, reporting to the governing and supervisory body is carried out in accordance with the practice established in these entities.

[G1-2] Management of relationships with suppliers

8.6.2. Management of relationships with suppliers and payment practices

Description of approach to supplier relations

The PZU Group attaches great importance to responsible management of supplier relationships. In its procurement and logistics activities, it is guided by the principles of fair dealing with suppliers, ensuring transparency of processes and equal treatment of all business partners. In order to minimize risks in the supply chain, procedures are being implemented at some entities to assess suppliers for reliability, environmental and social compliance. PZU regularly audits suppliers to assess their practices and ensure compliance with the PZU Group standards. The scope of the audit covers topics related to business practices as well as environmental and social aspects of the business. In addition, the PZU Group promotes the selection of local suppliers, which not only supports the local economy, but also reduces the carbon footprint associated with transportation. In this regard, recommendations have been made for the PZU Group entities to consider offers from domestic partners first, thereby supporting the development of local businesses.

Policies adopted to manage supplier relationships

The primary document defining standards for relations with suppliers in the PZU Group is the “Code of Conduct and ESG Best Practices of the Suppliers of the PZU Group”. It is a collection of principles for the PZU Group and all its suppliers. It defines requirements for suppliers in the areas of environment, society and corporate governance. It also includes provisions covering anti-corruption and conflict of interest, and a prohibition on accepting or offering benefits in exchange for certain actions or inaction. The “Code of Conduct and ESG Best Practices of the Suppliers of the PZU Group” is available on the PZU Group website. The rules of ethics with respect to suppliers in banking groups in the PZU Group and foreign companies are regulated separately. Alior Group applies the “Alior Bank Supplier Code of Ethics” to its suppliers, while Pekao Group has implemented the “Bank Pekao Supplier Code of Ethics”. Foreign companies have implemented their own solutions or adopted the Code voluntarily.

Consideration of social and environmental criteria of suppliers

Implementing standards, ethics and practices that support sustainability in procurement processes translates into building awareness and can translate into an increase in the importance of ESG aspects. Accepting the “Code of Conduct and ESG Best Practices of the Suppliers of the PZU Group” and promoting its values is one of the criteria for qualifying potential suppliers in PZU. Any supplier wishing to cooperate with PZU shall familiarize itself with and accept the “Code of Conduct and ESG Best Practices of the Suppliers of the PZU Group” at the stage of qualification, by submitting the Supplier Registration Form to be entered into the List of Qualified Suppliers. In contrast, other PZU Group entities have a recommendation that suppliers familiarize themselves with the Code, with different solutions in practice, e.g. Lietuvos Draudimas AB requires suppliers to confirm that they comply with the Code and applies an ESG assessment of suppliers, whereas BALTA requires suppliers to sign the Code as part of the contract.

The process of selecting contract partners in the PZU Group is mainly based on quality, price, technical criteria and compliance with formal and legal requirements. The PZU Group monitors changing regulations and good market practices in the area of sustainability, including the integration of ESG aspects in procurement processes, and does not rule out their implementation in the future.

[G1-6] Payment practices

Prevention of payment delays

The PZU Group does not have a policy in place aimed at preventing payment delays, and its entities follow their own rules for making payments in accordance with contractually agreed deadlines. Contract terms depend on the entity, the supplier and specific conditions, making it impossible to establish a single standard payment procedure or determine the percentage of payments made according to such a procedure. In general, PZU Group entities apply payment deadlines of up to 30 days for a properly issued invoice.

The PZU Group defines the average invoice settlement time from the date of calculating the payment deadline as the average overdue period of paid invoices by PZU Group entities. The average overdue time is calculated

by adding up the number of days all invoices are overdue and then dividing it by the total number of paid invoices. The average time an invoice was overdue in 2025 was 2.2 days (1.7 days in 2024).

Pending legal proceedings related to payment delays

As of 31 December 2025, in relation to their own operations, PZU Group entities were involved in 22 pending court proceedings concerning payment delays (as of 31 December 2024, 34 proceedings).

For the purpose of calculating the number of legal proceedings, the following 4 principles were applied:

- proceedings are conducted before civil courts (common courts and the Supreme Court, Civil Chamber);
- PZU Group entities are the defendants in the cases;
- the claims concern interest for delayed payments calculated on the principal amount paid late, or unpaid principal with accrued interest for the delay;
- the proceedings do not include claims from current or former employees, such as overtime pay or compensation for workplace harassment (mobbing).

Legal proceedings in which no final judgment has been issued in the second instance, as well as cases pending before the Supreme Court after the cassation appeal has been served to PZU Group entities, are considered unresolved.



[G1-3] Prevention and detection of corruption and bribery

8.6.3. Counteracting corruption

Prevention and corruption identification processes

There is zero tolerance for any form of corruption in the PZU Group; codes of ethics oblige employees to carry out their business duties in accordance with ethics and the law, to cooperate with business partners, and follow the rules for accepting and giving gifts, and preventing conflicts of interest. Various regulations are in place at PZU Group entities to prevent corruption, including operational procedures in compliance. The entities' management boards are responsible for managing compliance risks, as well as implementing compliance guidelines and recommendations. In addition, in 2025, the PZU Group's Sustainability Policy was updated. The policy supports efforts to foster ethical attitudes among employees by, among others, recommending that all PZU Group entities allow whistleblowing and protect whistleblowers from retaliation, as well as organizing periodic anti-corruption training for employees, if none such training is otherwise provided. Programs, policies or activities aimed at preventing corruption are in place in all PZU Group entities and are adequate to the specific nature of the entities in question.

Anti-Corruption Policy and Anti-Corruption Program at PZU and PZU Życie

PZU Group entities, excluding banks, are implementing compliance solutions along the lines of those in place at PZU and PZU Życie, proportionally and adequately to the specific natures of these entities. The PZU and PZU Życie Anti-Corruption Program defines a framework for corruption risk management. It provides the foundation for implementing detailed internal regulations in individual areas of the companies' operations. The goal of the Program is to maintain PZU's reputation as a company with integrity, transparent management practices and ethical business operations. The Anti-Corruption Program establishes rules for corruption risk management, division of responsibilities, and identification of business areas particularly vulnerable to corruption and corruption factors. It identifies measures to reduce corruption risk, including:

(1) in the area of cooperation with business partners, e.g., through a transparent business partner selection process and promotion of the PZU Group Good Practices;
(2) transparent rules in personnel and compensation policy;
(3) rules for donations, subsidies, support for foundations, as well as prevention and sponsoring activities;
(4) rules for auditing accounting records;
(5) rules for handling gifts;
(6) rules for avoiding conflicts of interest.

The Anti-Corruption Policy of PZU and PZU Życie is an additional component of the anti-corruption management system. It emphasizes the importance of ethics-based standards of conduct and aims to support employees in making decisions in situations that may pose a corruption risk. It reminds how to act and what situations to avoid in order to minimize the risk of any irregularities. Among other things, PZU has pledged to assess corruption risks of business partners and continuously improve its anti-corruption efforts.

Compliance with the United Nations Convention against corruption

Poland, as well as Lithuania, Latvia, Estonia and Ukraine, where the PZU Group's foreign entities operate, have ratified the United Nations Convention Against Corruption, the provisions of which provide a standard for national anti-corruption legislation. The PZU Group undertakes anti-corruption measures in accordance with applicable legal regulations and ethical standards enforced in Poland and the European Union and Europe overall.

Training and education on anti-corruption measures

PZU Group employees are subject to anti-corruption training aimed at raising employee awareness of corruption risks. The scope of basic anti-corruption training includes the following topics:

- definition of corruption, financial benefits, and bribery;
- examples of corruption;
- conduct in situations of corruption risk;
- consequences of corruption.

The detailed scope of training is tailored to the specific nature of the entities and the risks they face. Entities where anti-corruption training was not provided as defined above in 2025 are: PZU Finanse, PZU Lab, Ogrodowa-Inwestycje, PZU Pomoc, BALTA, and PZU Tech. Other anti-corruption training was conducted at these entities, such as on whistleblowing procedures, rules for accepting and giving gifts, compliance, and conflict of interest management. At BALTA, anti-corruption training takes place every two years and was conducted in 2024. Training in the PZU Group mainly involves e-learning. Some anti-corruption training courses require a knowledge assessment test upon completion. Anti-corruption training is made available to members of the PZU Management Board and Supervisory Board. At PZU Group entities, it is also good practice to make anti-corruption training available to members of management boards and supervisory boards, but such training is not mandatory. In 2025, the number of people trained in anti-corruption in the PZU Group totaled of 27,082 (33,233 in 2024). The PZU Group does not differentiate training by region or by category of trainees.

Functions at risk of corruption

At PZU and PZU Życie, the business areas that are most at the risk of corruption are purchasing, sales, prevention, sponsorship, human resources and accounting. PZU Group entities individually identify business areas exposed to corruption risks. In the PZU Group, all employees, regardless of their function, are equally subject to by anti-corruption training, and no records are kept of training for those at particular risk of corruption.

[G1-4] Confirmed incidents of corruption or bribery

Confirmed incidents of corruption

The PZU Group did not identify any court-confirmed cases of corruption in 2025 or 2024. No fines were recorded for violations of anti-corruption and anti-bribery laws. There were also no court-confirmed incidents of corruption or bribery that resulted in the termination or non-renewal of contracts with business partners.

8.7. Cybersecurity

Cybersecurity is a key topic for the PZU Group, given its growing importance in the financial and insurance sectors. Proper system security is not only a regulatory necessity but also a foundation of trust for clients and investors. As a result, in its double materiality assessment, the PZU Group identifies cybersecurity as an issue that has an actual positive impact on its own operations. The use of advanced security technologies protects client data and ensures operational stability. The PZU Group also identifies the risk that disclosure of customer and other sensitive information as well as cybersecurity threats could affect the security of customer data and the operational stability of the PZU Group.

Cybersecurity policies

The PZU Group has regulations concerning cybersecurity, data protection, and IT risk management. The adopted policies aim to align the organization with changing market conditions, regulatory requirements, and the rapidly evolving landscape of digital threats. One of the key policies is the PZU Group Security Management Policy, which aims to ensure effective cooperation in the area of security within the PZU Group and proper security management at subsidiaries. The policy covers all PZU Group entities, excluding the Alior Group and the Pekao Group. It regulates issues pertaining to the risk of disclosure of customer and other sensitive information and includes:

- setting and maintaining standards in security management in the PZU Group;
- conducting security review or analysis with respect to selected areas of the entities' operations;
- establishing rules for the provision of information by subsidiaries;
- principles for exchanging knowledge and experience in the area of security.

The Policy is an internal document, available to PZU Group entities implementing its provisions. The PZU Security Department is the substantive owner of the policy. The PZU Management Board oversees its implementation.

PZU has also developed and implements the IT Strategy for 2025-2027. What is an important part of the new IT strategy is building competencies of the future in artificial intelligence, cloud solutions and low-code technologies for faster application development. Cybersecurity and digital resilience are also strong pillars of the new IT strategy. The goal is to ensure that the data of PZU customers and of the organization itself are protected as strongly as possible from advanced cyber-attacks, and to safeguard the continuity of technology operations in the event of cybersecurity, physical, climate and geopolitical threats.

The Pekao Group has in place an Information and Communication Technology Security Strategy for 2025-2027 which focuses on strengthening the organization's resilience to digital threats and ensuring the highest level of protection for customer data. It envisages developing competence in modern technologies and implementing solutions to support secure banking services.

Alior Group has a Cybersecurity Strategy 2025-2027 which focuses on building a modern, resilient and integrated security environment to support the secure development of banking services. It calls for:

- improving the security of data, systems and customers;
- incorporating cybersecurity in the organization's daily processes and culture;
- ensuring compliance with security-related regulations and standards;
- developing modern protective technologies and process automation;
- strengthening operational resilience and incident response capabilities.

Each entity in the PZU Group has the right to create its own regulations for its operations.

Processes carried out within the scope of activities to maintain and improve cybersecurity

The PZU Group implements a number of processes to improve cybersecurity. These include threat protection and monitoring, integrated security systems with inter-unit cooperation, specialized procedures in subsidiaries, and a general monitoring and reporting system.

PZU has comprehensive processes in place to ensure cybersecurity and regulatory compliance. PZU's focus on risk and compliance management includes identifying and minimizing ICT (Information and Communication Technology) risks, implementing security standards, and advising on compliance with regulations such as the DORA Regulation. As part of these activities, cybersecurity projects and applications are also supported. At the same time, threat monitoring and response processes are implemented, which include 24/7 surveillance of infrastructure, detection and neutralization of cyberattacks, and development of protection tools. In this regard, multi-layered security mechanisms and services are used. Security of cloud applications and solutions is also an important component, which includes penetration testing, security audits and vulnerability identification. These processes support the security of new IT projects and the review of cloud solutions to minimize risks and ensure compliance with applicable regulations. Through these measures, PZU is building effective, multi-level protection against cyber threats, ensuring the security of data, processes and services for clients and employees.

The PZU Group has a company called PZU Centrum Operacji, which, among other things, provides IT services and manages technology risks and security in IT systems for selected PZU Group entities. The remaining companies carry out cybersecurity tasks on their own.

The PZU Group strives to maintain the highest level of protection against cyber threats by implementing modern technologies, threat monitoring, and systematically raising employee awareness. Strictly controlled procedures, audits, and cooperation with external entities ensure effective protection against cyberattacks and safeguard data and resources within the PZU Group.



Actions and resources to manage material cybersecurity-related impacts, risks and opportunities

Security measures to prevent data loss and leakage in PZU's systems and end devices form an extensive and multi-layered system.

In 2025, PZU implemented an innovative cyber threat early detection system. The solution allows PZU's cybersecurity teams to accelerate the identification of potential incidents and respond to them effectively. The project is being implemented in cooperation with Polish startup RIFFSEC. RIFFSEC's cyber threat early warning system monitors the Internet, deep web and dark net, detecting data breaches – from login and password leaks to brand incidents. Information collected by RIFFSEC for PZU concerns, among other things, situations potentially threatening the confidentiality of data (including logins and passwords), monitoring cybercriminals' conversations about PZU, and monitoring the registration of domains similar to PZU. The platform also reminds the insurer to pay for domains and SSL certificates. PZU experts also have constant access to information about new attacks on other organizations, as well as the latest viruses and types of fraud used by cybercriminals.

In addition, PZU conducted activities including thematic training for employees, both induction and refresher training, which addressed key issues in data protection, cybersecurity and crime prevention.

PZU attached particular importance to raising employee awareness through educational campaigns and meetings with experts, which focused on the topics of information security and threats such as disinformation. In 2025, internal information materials were published on the intranet, and experts held regular online meetings. That year PZU joined as a partner in the Scamming Out! campaign organized by the editors of Puls Biznesu and Bankier.pl, which aimed to build public awareness of cybersecurity.

At Link4, internal informational materials were published on the intranet, and employees' knowledge of cyber threats was assessed through periodic phishing tests.

The Cybersecurity Team at PZU Zdrowie conducted a training program for employees of the company and its subsidiaries, aimed at raising employee awareness of cyber threats. The training was practical and engaging, and its key elements included:

- presentation of real-life threat scenarios – participants learned about the most common attack methods, such as phishing, social engineering and account takeover attempts, along with discussing their effects in business and private environments;
- live demonstrations of hacking techniques – training sessions included demonstrations of actual methods used by cybercriminals, including password cracking, attacks on web applications and exploitation of vulnerabilities in systems. This allowed participants to see how easily an unconscious action can lead to compromised data;
- discussing security best practices – specific ways to secure accounts, devices and data were presented, along with procedures for responding to suspicious incidents at work and in private life;
- interactive exercises and discussions – participants had the opportunity to ask questions, analyze cases and participate in simulations that allowed them to practice proper responses in crisis situations.

The training program was designed not only to impart theoretical knowledge, but also to make employees aware of real risks and teach them practical ways to protect themselves from threats.

At TUW PZUW, informative newsletters were sent out to increase employees' knowledge regarding information security and cyberattacks.
TUW PZUW held a Cyber Day in 2025, which included training for employees on cyberattacks and information security. Throughout the day, employees and associates had the opportunity to talk to cybersecurity experts.

In 2025, BALTA incorporated issues related to cybersecurity into the onboarding process for new employees as part of a mandatory training program. Upon joining the company, each employee is required to acquaint themselves with the Information Processing Policy and Acceptable Use Policy and to pass a knowledge test in this area.

Within the PZU Group, the efforts of Pekao Group and Alior Group, which focus on protecting information systems and educating employees and clients, are also vital.

The Pekao Group, as part of the implementation of its Information and Communication Technology Security Strategy for 2025-2027, is taking steps to enhance client data security. Solutions are being introduced to support the secure use of banking services, including identity verification mechanisms and client communication security. One example is the development of functions that support employee and client identification in mobile applications, which significantly increases the

security of telephone interactions with clients and minimizes the risk of clients losing funds due to fraud. Pekao Group also conducts education and communication activities in the area of cybersecurity, including awareness campaigns and training for clients and employees. In terms of raising awareness of cybersecurity, the cyberPEKAO educational program is being implemented, which promotes knowledge about cybersecurity through training, webinars and workshops for various social groups. The Bank organizes industry events, such as Cybersecurity Days at Bank branches and the cyberPEKAO Academy, a conference for clients and employees. Another important element is cooperation with the CyberDefence24 portal, which addresses cybersecurity issues, where a dedicated zone of the Bank is maintained. In addition, a comic book about cybersecurity for children was published in cooperation with the portal's editorial team.
A nationwide educational campaign, "cyberPEKAO – a sign that protects", was also launched.

In 2025, Alior Group had tools in place to estimate cybersecurity risks, along with procedures to ensure early detection and proper management of threats. The company also developed IT incident response plans in a way that minimizes the impact of cyberattacks on critical/key services and prevents identity theft. All critical and key IT systems that process client data and are involved in the execution of financial transactions undergo in-depth security testing. Alior Group also conducts automated tests of vulnerability to cyberattacks. Their results provide comprehensive information on the state of the security of the IT environment and allow for systematic risk mitigation. In addition, a team of specialists conducts round-the-clock security monitoring of the banking infrastructure and the security of client transactions. All the bank's employees regularly participate in mandatory IT security awareness training. Training courses ending with a knowledge test are also mandatory for anyone starting work in the organization. The bank is also committed to raising client awareness of IT security. Materials pertaining to threats are regularly published on the bank's website, social media, in newsletters and a mobile app. Alior Group also launched a dedicated "Phishing-Stop" cybersecurity page.

The PZU Group invests in the development and modernization of its IT security systems. Regular audits and vulnerability tests allow the PZU Group to detect and eliminate threats early. Cybersecurity is continuously treated by the PZU Group as a key element of its strategy, encompassing both central structures and individual subsidiaries.

In 2025, PZU implemented the DORA Regulation. It is an EU regulation aimed at strengthening the operational resilience of financial institutions to digital threats and cyberattacks by introducing uniform IT security standards across the European Union. PZU implemented appropriate procedures and made e-learning training available to all employees.

Targets set for managing material cybersecurity-related impacts, risks and opportunities

PZU Group is focused on providing the highest level of protection against digital threats. There are a number of internal cybersecurity targets. Metrics such as the number of cyberattacks carried out and blocked are not disclosed. Due to their impact on business security, the PZU Group decided to disclose only the general nature of the cybersecurity area's targets under the IT Strategy of PZU SA and PZU Życie for 2025-2027:

- protection against advanced cyberattacks;
- securing the continuity of technology operations;
- regulatory compliance;
- strengthening the safety culture in the organization.

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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Composition and diversity of governing bodies, p. 275
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Composition and diversity of governing bodies, p. 275
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Due diligence statement, p. 278
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	No activities related to fossil fuel
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	No activities related to chemical production
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	No activities related to controversial weapons
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	No activities related to cultivation and production of tobacco
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Environment – climate change, p. 291
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Not applicable
ESRS E1-4 GHG emission reduction targets paragraph 34	Targets related to climate change mitigation and adaptation, p. 297
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Energy consumption and mix, p. 299
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ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Carbon footprint of the PZU Group, p. 300

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ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Carbon footprint of the PZU Group, p. 301
ESRS E1-7 GHG removals and carbon credits paragraph 56	Information on not using GHG removal and storage projects and not identifying carbon credits, p. 303
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Information on deferring disclosures, p. 303
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Information on deferring disclosures, p. 303
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Information on deferring disclosures, p. 303
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Information on deferring disclosures, p. 303
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ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Requirement deemed non-material in the Double Materiality Assessment
ESRS E3-1 Water and marine resources paragraph 9	Requirement deemed non-material in the Double Materiality Assessment
ESRS E3-1	Requirement deemed non-material in the Double Materiality Assessment

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Dedicated policy paragraph 13	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Requirement deemed non-material in the Double Materiality Assessment
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E3-4 – Total water consumption in m3 per net revenue on own operations paragraph 29	Requirement deemed non-material in the Double Materiality Assessment
ESRS 2 IRO1-E4 paragraph 16 (a) i	Requirement deemed non-material in the Double Materiality Assessment
ESRS 2 IRO1-E4 paragraph 16 (b)	Requirement deemed non-material in the Double Materiality Assessment
ESRS 2 IRO1-E4 paragraph 16 (c)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Requirement deemed non-material in the Double Materiality Assessment
ESRS E5-5	Requirement deemed non-material in the Double Materiality Assessment

Reporting requirement and related data points	Information source
Hazardous waste and radioactive waste paragraph 39	
ESRS 2 SBM-3-S1 Risk of incidents of forced labor paragraph 14 (f)	Managing material impacts, risks and opportunities and their interactions with strategy and business model, p. 342
ESRS 2 SBM-3-S1 Risk of incidents of child labor paragraph 14 (g)	Management of material impacts, risks and opportunities and their interaction with strategy and business model, p. 342
ESRS S1-1 Human rights policy commitments paragraph 20	Management of own workforce, p. 350
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Management of material impacts, risks and opportunities and their interaction with strategy and business model, p. 342
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Management of material impacts, risks and opportunities and their interaction with strategy and business model, p. 342
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Management of own workforce, p. 350
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Channels for whistleblowing, p. 353
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Metrics related to own workforce, p. 346
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Metrics related to own workforce, p. 346

Reporting requirement and related data points	Information source
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Metrics related to own workforce, p. 347
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Metrics related to own workforce, p. 347
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Metrics related to own workforce, p. 347
ESRS S1-17 – Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Metrics related to own workforce, p. 347
ESRS 2 SBM-3-S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Requirement deemed non-material in the Double Materiality Assessment
ESRS S2-1 Human rights policy commitments paragraph 17	Requirement deemed non-material in the Double Materiality Assessment
ESRS S2-1 Policies related to value chain workers paragraph 18	Requirement deemed non-material in the Double Materiality Assessment
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Requirement deemed non-material in the Double Materiality Assessment
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Requirement deemed non-material in the Double Materiality Assessment
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Requirement deemed non-material in the Double Materiality Assessment

Reporting requirement and related data points	Information source
ESRS S3-1 Human rights policy commitments paragraph 16	Policies related to affected communities, p. 358
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Management of material impacts, risks and opportunities and their interaction with strategy and business model, p. 358
ESRS S3-4 Human rights issues and incidents paragraph 36	Management of material impacts, risks and opportunities and their interaction with strategy and business model, p. 358
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Policies related to consumers and end-users, p. 365
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Policies related to consumers and end-users, p. 366
ESRS S4-4 Human rights issues and incidents paragraph 35	Actions addressing impact on consumers and end-users, p. 366
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Compliance with the United Nations Convention against Corruption, p. 378
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Whistleblowing and whistleblower protection, p. 375
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Confirmed incidents of corruption, p. 378
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Counteracting corruption, p. 377

9. Other information



Information about significant executed agreements

No agreements significant to the PZU's business were entered into in 2025.

On 2 June 2025, PZU and Bank Pekao signed a memorandum of cooperation to carry out a capital reorganization of the PZU Group, as described in Chapter 4.3. Reorganization of the PZU Group towards a holding structure

Information about significant agreements executed between shareholders

The PZU Management Board does not have any information about agreements executed until the date of this Report on the activity of the PZU Group and PZU among shareholders as a result of which changes may transpire in the future in the percentages of shares held by its shareholders to date.

Related party transactions on terms other than an arm's length basis

In 2025, neither PZU nor its subsidiaries executed any transaction with their related parties which were of material significance individually or collectively and were executed on non-arm's length conditions.

Purchase of treasury shares in the financial year

As at 31 December 2025, consolidated funds held 187,047 PZU shares. PZU did not hold any treasury shares as at 31 December 2025.

Granting of sureties or guarantees for loans or borrowings by PZU or its subsidiaries

In 2025 and in 2024, neither PZU nor its subsidiaries granted any sureties for a loan or borrowing or guarantees to any single entity or any subsidiary of such an entity where the total amount of outstanding sureties or guarantees would be significant, with the exception of the question described below.

On 19 August 2024, PZU guaranteed the repayment of a loan taken out by Pekao Leasing Sp. z o.o. with the European Investment Bank. On the same day, Pekao issued a guarantee to PZU, providing protection for PZU in the event that Pekao Leasing sp. z o.o. fails to pay all or part of its obligations under the loan agreement with the European Investment Bank. The maximum amount of both guarantees is PLN 737 million. It is valid until 31 July 2030.

Rules of preparation

The Rules of preparing the annual consolidated financial statements have been described in the PZU Group's consolidated financial statements.

Assessment of the management of financial resources, including the capacity to satisfy the assumed liabilities and specification of possible threats and actions taken or to be taken by PZU to counter these threats Assessment of the performance of investment-related intentions

The PZU Group and PZU are in very good financial standing and satisfy all the safety criteria imposed by the legal regulations and the Polish Financial Supervision Authority. PZU's "A-" rating by S&P and positive rating outlook confirm that PZU has a strong business position, with a high level of own equity, including for the performance of investment-related intentions.

Financial forecasts

PZU has not published any forecasts of its financial results.

Disputes

In 2025 and up to the date of preparation of the PZU Group's consolidated financial statements, there were no pending proceedings before a court, a body competent to hear arbitration proceedings or a public administration authority concerning liabilities or receivables of PZU or a direct or indirect subsidiary thereof whose unit value would be material except for the issues described in the 2025 PZU Group's consolidated financial statements and PZU's financial statements .

As at 31 December 2025, the total value of disputes in all 217,879 cases (31 December 2024: 246,667) pending before courts, arbitration bodies and public administration authorities in which PZU Group entities take part was PLN 17,951 million (31 December 2024: PLN 17,088 million). Of that amount, PLN 13,066 million (31 December 2024: PLN 12,346 million) relates to liabilities, and PLN 4,885 million (as at 31 December 2024: PLN 4,742 million) relates to receivables of PZU Group companies.

The PZU Group's expenditures on the areas listed in recommendation 1.5 of the Best Practices of WSE Listed Companies 2021 were as follows:

A summary of the expenditures incurred in 2025 by PZU and the PZU Group that are covered by Rule 1.5 of the "Best Practices of WSE Listed Companies 2021" issued by the Stock Exchange in 2021 is presented in the table below.

The PZU Group's expenditures on the areas listed in recommendation 1.5 of the Best Practices of WSE Listed Companies 2021 were as follows:

	2024		2025	
Expenditures [in PLN million] incurred to support:	PZU	PZU Group*	PZU	PZU Group*
• culture	2.6	7,0	6,6	16,6
• sports and physical activity	7.1	25,5	3,4	19,1
• community organizations and foundations	6.2	20,4	6,1	33,2
• charitable institutions	0.0	0,1	0,0	0,1
• media	0.4	1,9	0,6	1,3
• trade unions	0.0	0,7	0,0	0,1

*) PZU Group, including Bank Pekao Group and Alior Bank Group

Information on authorizations obtained by the issuer and the issuer's group from the competent supervisory authority, including those related to changes in the territorial or material scope of activities

PZU conducts insurance activities in classes 1–18 of non-life insurance (Division II) and inward reinsurance in Poland on the basis of an authorization issued by the Polish Financial Supervision Authority (KNF) on 3 January 1947.

PZU Życie conducts insurance activities in classes 1–5 of life insurance (Division I) and inward reinsurance on the basis of KNF decisions dated 20 December 1991 and 20 August 1996.

By virtue of KNF decisions dated 3 November 2015 and 26 June 2018, TUW PZUW obtained authorization to conduct insurance activities in Poland within non-life insurance (Division II) for the following insurance classes: 1, 2–13, 15, 16 and 18.

Furthermore, PZU, PZU Życie and TUW PZUW hold notifications enabling them to provide insurance services in a form other than through a branch in the following EU/EEA countries: Austria, Belgium, Bulgaria, Cyprus, Czechia, Estonia, Finland, France, Greece, Spain, the Netherlands, Ireland, Luxembourg, Latvia, Malta, Germany, Portugal, Romania, Slovakia, Slovenia, Sweden, Hungary, Italy, as well as: PZU and TUW PZUW in Croatia, Liechtenstein, Lithuania and Norway; PZU Życie and TUW PZUW in Denmark; TUW PZUW in Iceland.

Other insurance companies within the PZU Group conduct insurance activities in the Baltic States (Lithuania, Latvia and Estonia) and in Ukraine, covering life insurance as well as non-life and other personal insurance, on the basis of separate authorizations issued by local supervisory authorities.

Bank Pekao conducts banking activities under its historical founding act of 1929. Post war regulations – starting from the 1948 decree, followed by the 1989 act and the current Banking Law – confirmed the continuity of its legal status without the need for a separate KNF decision. With regard to brokerage activities, the Bank operates on the basis of its Articles of Association, in accordance with the so called unified banking license introduced by the Act of 16 August 2023, which resulted in the expiry of previous authorizations once the Articles of Association were adjusted. Bank Pekao does not provide services outside Poland; however, it may conduct cross border activities within EEA countries after submitting the appropriate notification, covering, among others, Austria, Germany, France, the Netherlands, Italy, Spain and other countries listed in the KNF notification register.

Alior Bank conducts banking activities on the basis of a KNF decision dated 1 September 2008. In decisions from September 2008 and 26 May 2010, the Authority granted the bank authorization to conduct brokerage activities.

On 17 October 2025, the Polish Financial Supervision Authority revoked the authorization for conducting insurance activities granted to Polski Gaz TUW in connection with the transfer of its insurance portfolio to PZU and the liquidation of the company.

On 16 January 2026, the Polish Financial Supervision Authority revoked the authorization for conducting insurance activities granted to Polski Gaz TUW na Życie in connection with the liquidation of the company.

In 2025 and up to the date of publication of the report, no changes occurred in the authorizations granted by the KNF to PZU.

Report on the Application of Good Practices as Defined in § 27(2)(2) of the PZU Statute

Application of Good Practices in the Area of Sports Sponsorship by State Treasury Owned Companies as Defined by the Prime Minister

In 2025, PZU applied the Good Practices for Sports Sponsorship by State Treasury Owned Companies, issued by the Prime Minister in April 2025. To ensure compliance of sponsorship activities with these guidelines, as of 26 November 2025 the Company implemented a new Regulation on Sponsorship Activities of PZU SA and PZU Życie SA. PZU applied the Good Practices both through the adoption of appropriate internal regulations and through the execution of sponsorship activities in a manner consistent with their objectives and principles, particularly in the areas of process transparency, activity planning, supervision over contract performance and internal reporting.

In carrying out sports sponsorship activities in 2025, PZU focused on mass participation sports and physical activities accessible to broad social groups, with particular emphasis on children, youth and families, in line with the directions set out in the Good Practices. As part of its sponsorship efforts, the Company supported numerous projects promoting a healthy lifestyle, family activity and inclusive sports. These included, among others, being a sponsor of the 82nd Tour de Pologne UCI World Tour, the title sponsor of the amateur cycling series PZU Gran Fondo Series, the sponsor of the nationwide football tournament "Z Orlika na Stadion", as well as a partner of initiatives of the Polish AMP Football Association promoting sports for persons with disabilities.

Taking into account the nature of the Good Practices as a soft law instrument, PZU applied them in accordance with the "comply or explain" principle, implementing their assumptions in a manner adequate to the Company's profile. The sports sponsorship activities undertaken in 2025 adhered to the key principles of the Good Practices — in particular political neutrality, transparency and avoidance of conflicts of interest — contributing to tangible social and reputational benefits.

Code of Good Practices for Ownership Supervision

On 9 February 2026, the Chancellery of the Prime Minister published the Code of Good Practices for Ownership Supervision. PZU has begun, within the competences of its respective statutory bodies, organizational units and subsidiaries, an analysis of the compliance of PZU's and the PZU Group's internal processes and regulations with the provisions of the Code. The purpose of the analysis is to identify potential areas of key regulation, assess them on the basis of the "comply or explain" principle, and subsequently ensure broad and efficient implementation of the Code within PZU and across the PZU Group.

10. Management Board Statement on the Accuracy of the Reports



Management Board Statement on the preparation of standalone and consolidated financial statements and the Management Board's activity report

To the best knowledge of the PZU Management Board, the annual consolidated financial statements of the PZU Group and the annual financial statements of PZU and comparative data were prepared in accordance with the applicable accounting principles and reflect in a true, fair and clear manner the financial position and results of the PZU Group and PZU.

To the best knowledge of the Management Board of PZU, the Management Board's annual report on the activities of the PZU Group and PZU presents a fair picture of the development and profitability of the Issuer's business and situation, with the main risks and uncertainties described, and said report has been prepared in accordance with the requirements of Article 49 of the Accounting Act. Sustainability reporting has been prepared in accordance with the Accounting Act, the ESRS, and Article 8 of Regulation 2020/852 and the delegated acts issued under Article 8(4) of the Regulation.

This Report on the Activity of the PZU Group and PZU SA for the financial year ended on 31 December 2025 has 391 consecutively numbered pages.

Signatures of PZU Management Board Members

Bogdan Benczak – President of the Management Board

Elżbieta Häuser-Schöneich – Management Board Member

Jan Zimowicz – Management Board Member

Maciej Fedyna – Management Board Member

Tomasz Kulik – Management Board Member

Bartosz Grześkowiak – Management Board Member

Tomasz Tarkowski – Management Board Member

Warsaw, 25 February 2026

11. Annexes

11.1. PZU Group’s financial data
11.2. SFDR disclosure
11.3. Glossary of terms
11.4. Alternative Performance Measures



11.1. PZU Group's financial data

Basic amounts of the consolidated profit and loss account (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	23,470	24,191	23,866	25,080	26,710
Net earned premiums	22,350	23,090	23,024	23,232	24,297
Net revenues from commissions and fees	3,355	3,279	3,166	3,544	3,687
Net investment result	9,931	11,298	8,486	9,555	15,183
Net claims and benefits	(14,563)	(15,695)	(15,580)	(15,731)	(15,542)
Acquisition expenses	(3,130)	(3,363)	(3,317)	(3,572)	(3,903)
Administrative expenses	(6,609)	(6,606)	(6,597)	(6,826)	(7,575)
Interest expenses	(2,046)	(2,129)	(1,134)	(418)	(4,767)
Other operating income and expenses	(2,201)	(2,790)	(3,990)	(2,315)	(3,750)
Operating profit (loss)	7,087	7,084	4,058	7,469	7,630
Share of the net profit (loss) of entities accounted for using the equity method	(1)	(4)	-	(15)	(25)
Profit (loss) before tax	7,086	7,080	4,058	7,454	7,605
Net profit (loss), including:	5,368	5,185	2,530	5,434	5,259
Profits (losses) of equity holders	3,213	3,295	1,912	3,336	3,374
Profits (losses) of minority holders	2,155	1,890	618	2,098	1,885
Weighted average basic and diluted number of common shares*	863,347,220	863,285,340	863,332,499	863,344,936	863,390,384
Number of issued shares	863,523,000	863,523,000	863,523,000	863,523,000	863,523,000
PZU Group's basic and diluted profit per ordinary share of the Issuer (in PLN)	3.72	3.82	2.21	3.86	3.91
PZU (Issuer) net profit	2,712	2,651	1,919	2,028	1,637
Basic and diluted profit (losses) per ordinary share (in PLN)	3.14	3.07	2.22	2.35	1.90

Data as at 31 December 2018–2019 restated

*) including shares in consolidated funds

**) Data as reported in the Consolidated Financial Statements of Powszechny Zakład Ubezpieczeń Group for the year ended December 31, 2023.

***) Information on restatement of data for 2023 is presented in section 6.3 of the Consolidated Financial Statements of Powszechny Zakład Ubezpieczeń Group for the year ended December 31, 2024.

Basic amounts of the consolidated profit and loss account (PLN million)	2022 (restated**)	2023 (restated)	2024	2025
Insurance service result before reinsurance	3,600	4,122	4,307	5,925
Insurance revenue	24,745	26,868	29,423	30,882
Insurance service expenses	(21,145)	(22,746)	(25,116)	(24,957)
Net income or expenses from reinsurance contracts held	63	(103)	(792)	(1,124)
Reinsurance premium allocation	(1,126)	(1,514)	(1,882)	(2,031)
Amounts recoverable from reinsurers	1,189	1,411	1,090	907
Insurance service result	3,663	4,019	3,515	4,801
Insurance finance income or expenses	(408)	(1,786)	(1,565)	(2,023)
Finance income or expenses from reinsurance	30	38	140	(20)
Net investment result	15,353	28,125	28,208	29,439
Fee and commission result	3,687	3,786	3,842	4,199
Operating costs of banks	(5,450)	n/a	n/a	n/a
PZU Group's non-insurance operating expenses	n/a	(9,701)	(10,514)	(11,206)
Legal risk costs of foreign currency mortgage loans***	n/a	(369)	(729)	(819)
Interest expenses	(4,767)	(8,890)	(8,243)	(7,415)
Other operating income and expenses	(3,946)	913	1,043	891
Operating profit (loss)	**8,162**	**16,135**	**15,697**	**17,847**
Share of the net financial results of entities accounted for using the equity method	(25)	10	8	(5)
Profit (loss) before tax	**8,137**	**16,145**	**15,705**	**17,842**
Net profit (loss), including:	**5,666**	**12,519**	**12,221**	**13,987**
- profit (loss) attributable to the equity holders of the Parent Company	3,781	5,780	5,342	6,699
- profit (loss) attributable to holders of non-controlling interests	1,885	6,739	6,879	7,288
Weighted average basic and diluted number of common shares	863,390,384	863,378,107	863,358,403	863,334,967
Number of issued shares	863,523,000	863,523,000	863,523,000	863,523,000
PZU Group's basic and diluted profit per ordinary share of the Issuer (in PLN)	4.38	6.69	6.19	7.76
PZU (Issuer) net profit	1,637	3,983	3,877	5,062
Basic and diluted profit (losses) per ordinary share (in PLN)	1.90	4.61	4.49	5.86

Assets (PLN million)	2018	2019	2020	2021	2022
Intangible assets	3,180	3,157	3,206	3,403	3,282
Goodwill	3,871	4,034	2,776	2,778	2,808
Property, plant and equipment	3,184	4,229	4,188	4,144	4,304
Investment property	1,697	1,981	2,493	2,773	3,021
Entities accounted for using the equity method	17	11	72	93	52
Assets pledged as collateral for liabilities	877	933	1,481	1,336	972
Loan receivables from clients	182,054	194,868	197,288	215,008	212,693
Financial derivatives	2,487	3,107	6,339	8,328	16,197
Investment financial assets	100,788	110,483	139,441	136,954	153,861
Receivables	6,343	5,737	6,246	9,418	12,642
Reinsurers' share in technical provisions	1,512	1,856	2,101	2,540	4,015
Deferred tax assets	2,234	2,313	2,511	3,058	3,085
Deferred acquisition expenses	1,546	1,574	1,550	1,573	1,762
Other assets	562	734	753	633	811
Cash and cash equivalents	17,055	7,788	7,939	9,447	15,960
Assets and groups of assets held for sale	1,147	580	590	643	654
Total assets	**328,554**	**343,385**	**378,974**	**402,129**	**436,119**

Restated data for 2018-2020

Assets (PLN million)	2022 (restated**)	2023 (restated)	2024	2025
Goodwill	2,808	2,801	2,792	2,816
Intangible assets	3,282	3,404	3,745	3,824
Deferred tax assets	3,103	2,193	2,244	2,134
Other assets	462	483	587	634
Property, plant and equipment	4,304	4,445	4,256	4,588
Investment property	3,021	3,098	3,159	3,103
Entities accounted for using the equity method	52	62	69	61
Insurance contract assets	68	111	108	124
Reinsurance contract assets	2,336	3,469	4,042	3,990
Assets pledged as collateral for liabilities	972	1,708	1,404	1,558
Assets held for sale	654	621	595	585
Loan receivables from clients (including finance lease receivables)	212,693	218,874	232,166	249,098
Financial derivatives	16,197	11,396	5,384	7,540
Investment financial assets	153,861	192,332	222,315	234,515
Measured at amortized cost	106,013	135,875	158,550	148,960
Measured at fair value through other comprehensive income	39,725	44,366	53,131	68,848
Measured at fair value through profit or loss	8,123	12,091	10,634	16,707
Current income tax receivables	305	19	6	54
Other receivables	9,108	5,227	5,258	4,626
Cash and cash equivalents	15,960	17,702	15,127	16,233
Total assets	**429,186**	**467,945**	**503,257**	**535,483**

**) Data as reported in the Consolidated Financial Statements of Powszechny Zakład Ubezpieczeń Group for the year ended December 31, 2023.

Equity (PLN million)	2018	2019	2020	2021	2022
Share capital	86	86	86	86	86
Supplementary capital	12,660	13,113	15,848	14,816	15,315
Revaluation reserve	(65)	294	891	(1,140)	(2,455)
Actuarial gains and losses on provisions for employee benefits	-	1	3	3	(6)
Treasury shares	(11)	(7)	(9)	(5)	(4)
Other reserve capital	18	(324)	295	600	1,721
Foreign exchange translation differences	(36)	(41)	65	69	92
Retained earnings (losses)	(940)	(248)	(314)	(685)	(634)
Net profit (loss)	3,213	3,295	1,912	3,336	3,374
Charges to net profit during the financial year	-	-	-	-	-
Non-controlling interest	22,482	23,119	24,626	22,914	22,263
Total equity	**37,407**	**39,288**	**43,403**	**39,994**	**39,752**

Equity (PLN million)	2022 (restated**)	2023 (restated)	2024	2025
Equity attributable to equity holders of the parent company	26,162	30,037	32,111	35,471
Share capital	86	86	86	86
Treasury shares	(4)	(4)	(7)	(6)
Supplementary capital	15,315	15,804	17,491	18,668
Other reserve capital	1,721	2,218	3,923	5,574
Revaluation reserve	(2,455)	(948)	(834)	176
Finance income and expenses under insurance contracts	2,622	1,258	1,657	1,141
Finance income and expenses under reinsurance contracts	(79)	(48)	(61)	(15)
Actuarial gains and losses related to provisions for employee benefits	(6)	(8)	(9)	(7)
Foreign exchange translation differences	91	(47)	(84)	(112)
Retained earnings	8,871	11,726	9,949	9,966
Retained profit	5,090	5,946	4,607	3,267
Net profit	3,781	5,780	5,342	6,699
Non-controlling interest	22,263	30,515	33,146	37,182
Total equity	**48,425**	**60,552**	**65,257**	**72,653**

**) Data as reported in the Consolidated Financial Statements of Powszechny Zakład Ubezpieczeń Group for the year ended December 31, 2023.

Liabilities (PLN million)	2018	2019	2020	2021	2022
Technical provisions	45,839	47,329	48,471	50,173	52,606
Provision for unearned premiums and provision for unexpired risk	8,525	8,885	8,834	9,603	10,760
Life insurance provision	16,204	16,346	16,309	16,345	17,014
Provision for outstanding claims and benefits	9,690	10,298	10,984	11,715	13,356
Provision for the capitalized value of annuities	5,981	5,999	6,226	6,371	6,543
Provisions for bonuses and discounts for insureds	7	9	8	12	19
Other technical provisions	256	214	190	164	159
Unit-linked provision	5,176	5,578	5,920	5,963	4,755
Subordinated liabilities	6,061	6,700	6,679	6,274	6,184
Liabilities on the issue of own debt securities	12,009	9,273	7,532	5,940	11,090
Liabilities to banks	6,044	6,604	9,751	7,470	7,720
Liabilities to clients under deposits	207,635	218,588	241,975	265,155	278,058
Derivatives	3,365	3,018	6,281	11,880	20,956
Other liabilities	8,805	10,599	12,434	13,203	17,178
Other provisions	854	1,211	1,378	1,206	1,711
Deferred income tax liabilities	486	746	949	806	831
Liabilities directly associated with assets classified as held for sale	49	29	121	28	33
Total liabilities	**291,147**	**304,097**	**335,571**	**362,135**	**396,367**
Total equity and liabilities	**328,554**	**343,385**	**378,974**	**402,129**	**436,119**

Liabilities (PLN million)	2022 (restated**)	2023 (restated)	2024	2025
Insurance contract liabilities	37,518	42,328	43,642	45,872
Reinsurance contract liabilities	31	35	35	38
Subordinated liabilities	6,184	6,166	5,099	7,951
Liabilities on the issue of own debt securities	11,090	12,003	18,086	22,449
Liabilities to banks	7,720	7,047	6,895	6,024
Liabilities to clients under deposits	278,058	303,781	334,193	348,642
Financial derivatives	20,956	11,656	6,132	6,148
Current income tax liabilities	328	1,991	1,818	895
Other liabilities	14,301	16,980	15,946	17,872
Provisions	1,711	2,286	2,756	3,171
Deferred income tax liabilities	2,831	3,088	3,374	3,767
Liabilities directly associated with assets classified as held for sale	33	32	24	1
Total liabilities	**380,761**	**407,393**	**438,000**	**462,830**
Total equity and liabilities	**429,186**	**467,945**	**503,257**	**535,483**

**) Data as reported in the Consolidated Financial Statements of Powszechny Zakład Ubezpieczeń Group for the year ended December 31, 2023.

One-off events in PZU Group (PLN million)	2018	2019	2020	2021	2022
Costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods)	-	-	-	-	(2,460)
Provision for legal risk related to foreign currency mortgage loans at Bank Pekao	-	-	-	-	(1,598)
Cost of fees for the bank protection system	-	-	-	-	(696)
An increase in technical provisions for older versions of individually continued products, recognizing the expected effect of higher indexations in the next 12 months.	-	-	-	-	(203)
Impairment allowance for financial assets and receivables in Ukrainian companies	-	-	-	-	(94)
The effect of a logistics company going public	-	-	-	485	-
Goodwill impairment allowance	-	-	(1,301)	-	-
Write-down of assets arising from the acquisition of Alior Bank	-	-	(161)	-	-
Provision for reimbursement of fees in prepaid consumer loans (CJEU)		(272)			
Revaluation of provisions for vegetative condition compensation claims	(148)	-	-	-	-

One-off events in PZU Group (PLN million)	2022	2023 (restated)	2024	2025
Costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods)	(2,460)	103	(215)	-
Provision for legal risk related to foreign currency mortgage loans at Bank Pekao and Alior Bank	(1,598)	(315)	(669)	(819)
Above-normal number of mass damage caused by weather events, mainly flooding	-	-	(259)	-
Release of impairment allowance for assets arising from the acquisition of Alior Bank	-	-	115	-
Costs of the Bank Protection Scheme fee	(696)	-	-	-
Impairment allowance for financial assets and receivables in Ukrainian companies	(94)	-	-	-
Provision for client protection issues at Pekao	-	-	-	(202)
Revaluation of deferred tax assets and liabilities at Bank Pekao and Alior Bank	-	-	-	274

	Operational efficiency ratios	2018	2019	2020	2021	2022
1	**Gross claims and benefits ratio (simple)** (gross claims and benefits / gross written premium) x 100%	63.8%	66.5%	67.5%	64.3%	63.2%
2	**Claims and benefits ratio** (net claims and benefits / net earned premium) x 100%	65.2%	68.0%	67.7%	67.7%	64.0%
3	**Activity expense ratio for insurance segments** (insurance business expense / net earned premium) x 100%	21.4%	22.3%	22.6%	23.8%	25.0%
4	**Acquisition expense ratio for insurance segments** (acquisition expenses / net earned premium) x 100%	14.5%	15.1%	15.3%	16.3%	17.1%
5	**Administrative expense ratio for insurance segments** (acquisition expenses / net earned premium) x 100%	6.9%	7.2%	7.4%	7.6%	7.9%
6	**Combined ratio in non-life insurance** (net claims and benefits + insurance business expense / net earned premium) x 100%	87.1%	88.5%	88.2%	89.2%	89.6%
7	**Operating profit margin in life insurance** (operating profit / gross written premium) x 100%	21.3%	20.5%	18.6%	12.7%	16.8%
8	**Cost/income ratio** – banking activity	42.3%	40.8%	43.4%	42.2%	39.9%

	Operational efficiency ratios	2022	2023 (restated)	2024	2025
1	**Administrative expenses ratio of insurance segments** (net administrative expenses / net insurance revenue) x 100%	8.5%	9.1%	9.0%	8.9%
2	**Combined ratio in non-life insurance** (net insurance service expenses / net insurance revenue) x 100%	86.5%	86.0%	91.9%	86.3%
3	**Margin from insurance operations in life insurance** (operating profit / net insurance revenue) x 100%	22.2%	24.4%	27.1%	27.5%
4	**Cost/income ratio – banking activity**	39.9%*	32.6%	34.3%	35.2%

*) the ratio measured according to the previously used methodology as the quotient of administrative expenses and the sum of operating income, excluding: the BFG charge, the levy on other financial institutions and the movements in allowances for expected credit losses and impairment losses on financial instruments.

Data from the profit and loss account – corporate insurance (non-life insurance) (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	3,097	3,316	3,026	3,283	4,031
Net earned premiums	2,326	2,476	2,365	2,365	2,503
Investment income	113	100	116	73	124
Net insurance claims and benefits	(1,591)	(1,610)	(1,593)	(1,510)	(1,684)
Acquisition expenses	(477)	(519)	(511)	(522)	(545)
Administrative expenses	(131)	(131)	(144)	(142)	(161)
Reinsurance commissions and profit-sharing	39	43	47	56	68
Other	(11)	(32)	33	(26)	(23)
Insurance result	**268**	**327**	**313**	**294**	**282**
acquisition expense ratio (including reinsurance commission)*	18.8%	19.2%	19.6%	19.7%	19.1%
administrative expense ratio*	5.6%	5.3%	6.1%	6.0%	6.4%
loss ratio*	68.4%	65.0%	67.4%	63.8%	67.3%
combined ratio (COR)*	92.9%	89.5%	93.1%	89.6%	92.8%

* ratios calculated using net earned premium

Data from the profit and loss account – corporate insurance (non-life insurance) (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**3,448**	**4,101**	**4,704**	**5,187**
Amortization of liabilities for remaining coverage (PAA)	2,952	3,513	4,070	4,501
Recovery of insurance acquisition cash flows	496	588	634	686
Insurance revenue after reinsurance	**2,531**	**2,800**	**3,075**	**3,403**
Insurance service expenses after reinsurance	**(2,181)**	**(2,195)**	**(2,616)**	**(2,611)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(1,548)	(1,403)	(1,740)	(1,633)
Administrative expenses	(142)	(207)	(250)	(288)
Amortization of the loss component	120	113	98	72
Recognition of the loss component	(115)	(110)	(90)	(76)
Amortization of insurance acquisition cash flows	(496)	(588)	(634)	(686)
Insurance service result	**350**	**605**	**459**	**792**
Insurance finance income or expenses	(66)	(108)	(204)	(65)
Finance income or expenses from reinsurance	15	35	128	(37)
Investment income	225	332	366	385
Operating profit (loss)	**524**	**864**	**749**	**1,075**
Combined ratio (COR)	86.2%	78.4%	85.1%	76.7%

Data from the profit and loss account – mass insurance (non-life insurance) (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	10,401	10,403	10,244	10,910	11,583
Net earned premiums	10,168	10,261	10,192	10,121	10,923
Investment income	526	481	525	385	593
Net insurance claims and benefits	(6,171)	(6,410)	(6,221)	(6,198)	(6,596)
Acquisition expenses	(1,890)	(1,986)	(2,010)	(2,166)	(2,470)
Administrative expenses	(594)	(651)	(673)	(678)	(706)
Reinsurance commissions and profit-sharing	(6)	3	-	33	41
Other	(308)	(249)	(142)	(246)	(288)
Insurance result	**1,725**	**1,449**	**1,671**	**1,251**	**1,497**
acquisition expense ratio (including reinsurance commission)*	18.6%	19.3%	19.7%	21.1%	22.2%
administrative expense ratio*	5.8%	6.3%	6.6%	6.7%	6.5%
loss ratio*	60.7%	62.5%	61.0%	61.2%	60.4%
combined ratio (COR)*	85.2%	88.1%	87.4%	89.0%	89.1%

* ratios calculated using net earned premium

Data from the profit and loss account – mass insurance (non-life insurance) (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**10,981**	**11,966**	**13,106**	**13,655**
Amortization of liabilities for remaining coverage (PAA)	8,579	9,278	10,176	10,667
Recovery of insurance acquisition cash flows	2,402	2,688	2,930	2,988
Insurance revenue after reinsurance	**10,842**	**11,820**	**12,930**	**13,482**
Insurance service expenses after reinsurance	**(9,318)**	**(10,269)**	**(12,183)**	**(11,937)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(6,061)	(6,748)	(8,269)	(8,089)
Administrative expenses	(787)	(875)	(928)	(947)
Amortization of the loss component	341	442	523	435
Recognition of the loss component	(409)	(400)	(579)	(348)
Amortization of insurance acquisition cash flows	(2,402)	(2,688)	(2,930)	(2,988)
Insurance service result	**1,524**	**1,551**	**747**	**1,545**
Insurance finance income or expenses	(241)	(263)	(335)	(340)
Finance income or expenses from reinsurance	11	5	11	14
Investment income	703	745	753	781
Operating profit (loss)	**1,997**	**2,038**	**1,176**	**2,000**
Combined ratio (COR)	85.9%	86.9%	94.2%	88.5%

Data from the profit and loss account – group and individually continued insurance (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	6,891	6,966	7,007	7,030	7,166
Group insurance	4,887	4,940	4,958	4,975	5,093
Individually continued insurance	2,004	2,026	2,049	2,055	2,073
Net earned premiums	6,890	6,965	6,956	7,055	7,190
Investment income	581	668	675	520	617
Insurance claims and benefits and movement in other net technical provisions	(4,931)	(5,057)	(5,190)	(5,597)	(5,333)
Acquisition expenses	(349)	(388)	(381)	(394)	(429)
Administrative expenses	(604)	(640)	(632)	(669)	(752)
Other	(44)	(51)	(37)	(45)	(44)
Insurance result	**1,543**	**1,497**	**1,391**	**870**	**1,249**
Insurance result excluding non-recurring effects	**1,543**	**1,497**	**1,391**	**870**	**1,452**
acquisition expense ratio*	5.1%	5.6%	5.4%	5.6%	6.0%
administrative expense ratio*	8.8%	9.2%	9.0%	9.5%	10.5%
result margin	22.4%	21.5%	19.9%	12.4%	17.4%

* ratios calculated using gross written premium

Data from the profit and loss account – group and individually continued insurance (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**7,316**	**7,362**	**7,840**	**7,921**
Insurance revenue after reinsurance	**7,316**	**7,362**	**7,840**	**7,921**
Expected claims and benefits, and expenses (GMM, VFA)	6,127	6,114	6,557	6,486
Release of the contractual service margin (GMM, VFA)	1,105	1,223	1,267	1,434
Other income	84	25	16	1
Insurance service expenses after reinsurance	**(6,039)**	**(6,093)**	**(6,232)**	**(6,386)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(4,960)	(4,830)	(4,934)	(5,036)
Administrative expenses	(730)	(842)	(861)	(863)
Amortization of the loss component	349	292	326	268
Recognition of the loss component	(293)	(279)	(292)	(254)
Amortization of insurance acquisition cash flows	(405)	(434)	(471)	(501)
Insurance service result	**1,277**	**1,269**	**1,608**	**1,535**
Insurance finance income or expenses	(462)	(509)	(522)	(519)
Investment income	682	852	888	882
Operating profit (loss)	**1,497**	**1,612**	**1,974**	**1,898**
Insurance business margin	**20.5%**	**21.9%**	**25.2%**	**24.0%**

Data from the profit and loss account – individual insurance (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	1,346	1,581	1,712	1,750	1,451
Net earned premiums	1,344	1,579	1,710	1,747	1,447
Investment income	59	548	465	153	(181)
Insurance claims and benefits and movement in other net technical provisions	(976)	(1,640)	(1,670)	(1,329)	(695)
Acquisition expenses	(126)	(139)	(175)	(224)	(216)
Administrative expenses	(69)	(72)	(81)	(86)	(109)
Other	(5)	(5)	(5)	(6)	(8)
Insurance result	**227**	**271**	**244**	**255**	**238**
acquisition expense ratio*	9.4%	8.8%	10.2%	12.8%	14.9%
administrative expense ratio*	5.1%	4.6%	4.7%	4.9%	7.5%
result margin*	16.9%	17.1%	14.3%	14.6%	16.4%

*) ratios calculated using gross written premium

Data from the profit and loss account – individual insurance (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**581**	**637**	**744**	**870**
Insurance revenue after reinsurance	**581**	**637**	**744**	**870**
Expected claims and benefits, and expenses (GMM, VFA)	400	374	423	506
Release of the contractual service margin (GMM, VFA)	215	244	295	353
Other income	(34)	19	26	11
Insurance service expenses after reinsurance	**(301)**	**(344)**	**(377)**	**(448)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(86)	(91)	(106)	(133)
Administrative expenses	(78)	(90)	(97)	(117)
Amortization of the loss component	14	8	13	18
Recognition of the loss component	(8)	(17)	(18)	(25)
Amortization of insurance acquisition cash flows	(143)	(154)	(169)	(191)
Insurance service result	**280**	**293**	**367**	**422**
Insurance finance income or expenses	(87)	(102)	(107)	(115)
Investment income	118	115	119	127
Operating profit (loss)	**311**	**306**	**379**	**434**
Insurance business margin	**53.5%**	**48.0%**	**50.9%**	**49.9%**

Data from the profit and loss account – investment contracts (PLN million)	2018	2019	2020	2021	2022
Gross written premium	40	35	33	33	30
Group insurance	2	1	1	1	-
Individual insurance	38	34	32	32	30
Net earned premiums	40	35	33	33	30
Investment income	(14)	16	13	(3)	(29)
Net insurance claims and benefits and movement in other net technical provisions	(15)	(42)	(37)	(22)	6
Acquisition expenses	(1)	-	-	-	-
Administrative expenses	(5)	(4)	(3)	(2)	(2)
Other	(2)	-	-	-	-
Operating result	**3**	**5**	**6**	**6**	**5**
result margin*	7.5%	14.3%	18.2%	18.2%	16.7%

*) ratios calculated using gross written premium

Data from the profit and loss account – investment contracts (PLN million)	2022	2023	2024	2025
Investment income	1	2	12	13
Fee and commission result	3	3	2	2
Operating profit (loss)	**4**	**5**	**14**	**15**

Data from the profit and loss account – banking activity (PLN million)	2018	2019	2020	2021	2022
Investment income	8,897	8,972	6,248	7,319	13,636
Fee and commission income and expenses	3,115	3,146	3,008	3,426	3,569
Administrative expenses	(4,989)	(4,850)	(4,782)	(5,077)	(5,639)
Interest expenses	(1,904)	(2,013)	(1,074)	(376)	(4,617)
Other	(1,083)	(1,757)	(3,206)	(1,513)	(3,035)
Total	**4,036**	**3,498**	**194**	**3,779**	**3,914**

Data from the profit and loss account – pension segment (PLN million)	2018	2019	2020	2021	2022
Investment income	5	6	4	4	12
Other income	149	142	130	154	161
Administrative expenses	(40)	(43)	(56)	(57)	(49)
Other	(7)	(4)	(5)	(5)	(5)
Operating profit (loss)	**107**	**101**	**73**	**96**	**119**

Investment segment (external) (PLN million)	2018	2019	2020	2021	2022
Total	**(390)**	**333**	**323**	**662**	**420**

Data from the profit and loss account – banking activity (PLN million)	2022	2023 (restated)	2024	2025
Investment income	13,636	24,714	25,221	25,484
Fee and commission result	3,569	3,605	3,676	4,005
Operating costs of banks	(5,639)	n/a	n/a	n/a
PZU Group's non-insurance operating expenses	n/a	(7,939)	(8,785)	(9,334)
Interest expenses	(4,617)	(8,704)	(8,077)	(7,263)
Costs of legal risk of mortgage loans in foreign currencies	n/a	(369)	(729)	(819)
Other operating income and expenses	(3,035)	(43)	8	(162)
Operating profit	**3,914**	**11,264**	**11,314**	**11,911**

Data from the profit and loss account – pension segment (PLN million)	2022	2023 (restated)	2024	2025
Investment income	12	17	16	16
Fee and commission result	161	147	184	209
PZU Group's non-insurance operating expenses	n/a	(45)	(38)	(66)
Other operating income and expenses	(32)	1	1	1
Operating profit	**141**	**120**	**163**	**160**

Investment segment (PLN million)	2022	2023 (restated)	2024	2025
Investment income	442	522	395	699
Fee and commission result	87	171	150	189
PZU Group's non-insurance operating expenses	n/a	(127)	(146)	(150)
Interest expenses	(178)	(231)	(207)	(207)
Other operating income and expenses	(95)	4	16	18
Operating profit	**256**	**339**	**208**	**549**

Data from the profit and loss account – Baltic states segment (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	1,592	1,713	1,694	1,867	2,359
Net earned premiums	1,480	1,600	1,643	1,742	2,064
Investment income	2	38	18	42	(13)
Net insurance claims and benefits	(905)	(989)	(965)	(1,082)	(1,238)
Acquisition expenses	(317)	(335)	(340)	(366)	(454)
Administrative expenses	(125)	(133)	(141)	(142)	(163)
Other	3	4	5	6	7
Insurance result	**138**	**185**	**220**	**200**	**203**
EUR exchange rate in PLN	4.2669	4.3018	4.4742	4.5775	4.6883
acquisition expense ratio*	21.4%	20.9%	20.7%	21.0%	22.0%
administrative expense ratio*	8.4%	8.3%	8.6%	8.2%	7.9%

* ratios calculated using net earned premium

Data from the profit and loss account – Baltic states segment (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**2,082**	**2,489**	**2,683**	**2,876**
Insurance revenue after reinsurance	**2,033**	**2,424**	**2,609**	**2,804**
Amortization of liabilities for remaining coverage (PAA)	1,607	1,936	2,096	2,245
Expected claims and benefits, and expenses (GMM, VFA)	18	17	19	23
Release of the contractual service margin (GMM, VFA)	12	13	14	14
Release of risk adjustment for non-financial risks (GMM, VFA)	3	2	2	2
Recovery of insurance acquisition cash flows	393	455	477	520
Other	-	1	1	–
Insurance service expenses after reinsurance	**(1,820)**	**(2,170)**	**(2,273)**	**(2,416)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(1,216)	(1,457)	(1,516)	(1,596)
Administrative expenses	(220)	(255)	(280)	(285)
Amortization of the loss component	205	142	145	140
Recognition of the loss component	(196)	(145)	(145)	(155)
Amortization of insurance acquisition cash flows	(393)	(455)	(477)	(520)
Insurance service result	**213**	**254**	**336**	**388**
Insurance finance income or expenses	24	(25)	(41)	(40)
Finance income or expenses from reinsurance	1	(2)	1	1
Investment income	(13)	57	86	102
Fee and commission result	2	2	2	2
Operating profit	**227**	**286**	**384**	**453**
EUR exchange rate in PLN	4.6883	4.5284	4.3042	4.2372
Insurance business margin for life insurance	28.6%	25.0%	28.3%	24.0%
The combined ratio (COR) for property and other non-life insurance	89.8%	89.7%	87.4%	86.3%

Data from the profit and loss account – Ukraine segment (PLN million)	2018	2019	2020	2021	2022
Gross written premiums	257	335	291	339	231
Net earned premiums	152	217	196	227	207
Investment income	19	33	39	16	(42)
Net insurance claims and benefits	(59)	(81)	(76)	(102)	(106)
Acquisition expenses	(82)	(118)	(101)	(112)	(48)
Administrative expenses	(25)	(31)	(33)	(39)	(33)
Other	18	19	29	24	17
Insurance result	**23**	**39**	**54**	**14**	**(5)**
exchange rate UAH/PLN	0.1330	0.1502	0.1439	0.1422	0.1370
acquisition expense ratio*	53.9%	54.4%	51.5%	49.3%	23.2%
administrative expense ratio*	16.4%	14.3%	16.8%	17.2%	15.9%

* ratios calculated using net earned premium

Data from the profit and loss account – Ukraine segment (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**248**	**220**	**242**	**272**
Insurance revenue after reinsurance	**227**	**218**	**239**	**270**
Amortization of liabilities for remaining coverage (PAA)	135	136	153	186
Expected claims and benefits, and expenses (GMM, VFA)	20	17	5	9
Release of the contractual service margin (GMM, VFA)	8	5	9	3
Release of risk adjustment for non-financial risks (GMM, VFA)	1	1	6	1
Recovery of insurance acquisition cash flows	73	58	70	72
Other	(10)	1	(4)	(1)
Insurance service expenses after reinsurance	**(199)**	**(201)**	**(245)**	**(247)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(83)	(96)	(112)	(128)
Administrative expenses	**(43)**	**(43)**	**(51)**	(53)
Amortization of the loss component	-	1	12	8
Recognition of the loss component	-	(5)	(24)	(2)
Amortization of insurance acquisition cash flows	(73)	(58)	(70)	(72)
Insurance service result	**28**	**17**	**(6)**	**23**
Insurance finance income or expenses	(26)	(18)	(21)	(24)
Finance income or expenses from reinsurance	3	-	-	2
Investment income	(1)	50	51	47
Operating profit	**4**	**49**	**24**	**48**
exchange rate UAH/PLN	0.1370	0.1137	0.0991	0.0900
Insurance business margin for life insurance	(34,7%)	75.0%	37.0%	95.5%
Combined ratio (COR) for property and other non-life insurance	86.0%	95.6%	101.4%	94.0%

Data from the profit and loss account – investment insurance (PLN million)	2022	2023	2024	2025
Insurance revenue before reinsurance	**89**	**93**	**104**	**101**
Insurance revenue after reinsurance	**89**	**93**	**104**	**101**
Expected claims and benefits, and expenses (GMM, VFA)	37	15	45	52
Release of the contractual service margin (GMM, VFA)	37	45	45	54
Other income	15	33	14	(5)
Insurance service expenses after reinsurance	**(98)**	**(63)**	**(100)**	**(5)**
Claims and benefits (excluding the investment component) with the development of the claim reserves from previous years	(17)	(21)	(21)	(16)
Administrative expenses	(3)	(5)	(5)	(9)
Amortization of the loss component	8	9	15	24
Recognition of the loss component	(35)	(7)	(58)	19
Amortization of insurance acquisition cash flows	(51)	(39)	(31)	(23)
Insurance service result	**(9)**	**30**	**4**	**96**
Insurance finance income or expenses	450	(761)	(335)	(920)
Investment income	(455)	765	328	924
Operating profit (loss)	**(14)**	**34**	**(3)**	**100**
Insurance business margin	**(15,7%)**	**36.6%**	**(2,9%)**	**99.0%**

11.2. SFDR disclosure

Disclosure of principal adverse impacts of investment decisions on sustainability in accordance with the Commission Delegated Regulation (EU) 2022/1288, supplementing the Regulation of the European Parliament and of the Council (EU) 2019/2088 (SFDR), for PZU as an investee.

Table 1.
Statement on principal adverse impacts of investment decisions on sustainability factors

Adverse impact on sustainability factors (qualitative or quantitative data)	Indicator	PZU 2025
Climate and other environment-related indicators		
1. Greenhouse gas emissions	Scope 1 GHG emissions (Mg CO2e) Scope 2 GHG emissions (Mg CO2e) Scope 3 GHG emissions (Mg CO2e) Total GHG emissions (Mg CO2e)	PZU: 6,858, Grupa PZU: 26,593; PZU: 7,289, Grupa PZU: 51,197 PZU*: 614,202, Grupa PZU: 29,769,297 PZU*: 628,349, Grupa PZU: 29,847,087
2. Carbon footprint	Carbon footprint (Mg CO2e)	PZU*: 628,349, Grupa PZU: 29,847,087
3. GHG intensity	GHG intensity	PZU Group: PLN 433.58 tCO2e/m of net revenues.
4. Exposure to companies active in the fossil fuel sector	A company is operating in the fossil fuel sector	No.
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	PZU: Share of non-renewable energy consumed and produced, as a percentage of total energy resources: 85% Share of renewable energy consumed and produced as a percentage of total energy resources: 15% Total energy consumption in the organization: 54.156 GWh, including: total value of energy from non-renewable sources: purchased: 18.945 GWh, produced: 26.837 GWh. Total renewable energy: purchased: 8.118 GWh, consumed: 0.256 GWh.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh if the company primarily generates revenue in high impact climate sectors	Not applicable. PZU does not operate in sectors with high climate impacts.
7. Activities negatively affecting biodiversity- sensitive areas	A company with facilities/operations in biodiversity-sensitive areas or in the vicinity of such areas, where the activities of such company negatively affect such areas	Not applicable. PZU does not have facilities in or near biodiversity-sensitive areas.
8. Emissions to water	Tons of emissions to water	Not applicable. PZU is not engaged in activities that cause emissions to water
9. Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste	Not applicable. PZU is not engaged in activities that generate hazardous or radioactive waste.
Indicators for social and employee respect for human rights, anti-corruption and anti-bribery matters		
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	A company has violated or is violating the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises	No.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	A company does not have a strategy for monitoring compliance with the UN Global Compact principles or OECD Guidelines for Multinational Enterprises, nor does it have a grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	No. The PZU Group has a human rights due diligence process in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, which is reviewed annually.
12. Unadjusted gender pay gap	Unadjusted gender pay gap	18.50%
13. Board gender diversity	Ratio of female to male board members, expressed as a percentage of all board members	14.28%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	A company is involved in the manufacture or selling of controversial weapons	No.

* scope 3 emissions were first calculated for Category 15 only, in line with the new methodology and under the CSRD; therefore, the Company does not have unit calculations under own investments; PZU SA only lists insurance-related emissions; emissions including PZU SA's own investment emissions are included in emissions for the PZU Group

Table 2.
Additional climate and other environment-related indicators

Climate and other environment-related indicators	Indicator	PZU 2025
1. Emissions of inorganic pollutants	Tons of inorganic pollutant equivalent	Not applicable. PZU is not engaged in activities directly affecting the inorganic pollutant area.
2. Emissions of air pollutants	Tons of air pollutants equivalent	No air pollutants other than CO2 emissions</sup.
3. Emissions of ozone-depleting substances	Tons of ozone-depleting substances equivalent	Yes. PZU: 0.277790 tons.
4. A company is not implementing carbon emission reduction initiatives	A company is not implementing carbon emission reduction initiatives to comply with the Paris Agreement objectives	No. PZU has implemented carbon emission reduction initiatives aimed at aligning with the Paris Agreement. PZU has an Environmental Policy in place, and it adopted a Decarbonization Strategy. The Environmental Policy is available on the website. The PZU Group is also aware of the indirect impact it has on the environment and is reducing its negative impact on the climate. In doing so, it is guided by the assumptions of Polish and EU strategic documents, including the Paris Agreement, the National Energy and Climate Plan 20212030 and the Energy Policy of Poland until 2040.
5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by the company broken down by each non-renewable energy source	Energy consumption from non-renewable sources by PZU: 1) natural gas – 13.2% 2) heating oil – 0.5% 3) gasoline – 35.7% 4) diesel oil – 0.1%
6. Water usage and recycling	Amount of water consumed by the company	PZU SA - 37,254 m3 PZU Życie SA - 17,460 m3 Total - 54,715 m3
	Percentage of water recycled and reused	PZU SA - 3.5% PZU Życie SA – 4.0% Total - 3.6%
7. A company has no water management policies	A company has no water management policies	Not applicable.
8. Exposure to areas of high water stress	A company has facilities located in areas of high water stress that have no water management policies	No. PZU does not have plants that are located in areas of high water stress and that have no water management policies.
9. Company producing chemicals	A company whose activities are covered by Chapter 20.2 in Annex I to Regulation (EC) No. 1893/2006	Not applicable.
10. Land degradation, desertification, soil sealing	A company whose activities lead to land degradation, desertification or soil sealing	No. PZU's operations do not cause land degradation, desertification or soil sealing.
11. A company is not using sustainable land/agricultural practices	A company is not using sustainable land/agricultural practices or strategies	Not applicable.
12. A company is not using sustainable oceans/seas practices	A company is not using sustainable oceans/seas practices or strategies	Not applicable.
13. Non-recycled waste ratio	Tons of non-recycled waste generated by the company	PZU 253.11 Mg, PZU Życie – 130.39 Mg – waste collected by Remondis and PZU Park – data provided by the Facility Manager.
14. Natural species and protected areas	A company whose operations affect threatened species	Not applicable. PZU has no impact in this area.
	A company does not have a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	No. PZU has no impact on threatened species. PZU does not have a biodiversity policy. PZU does not operate in the protected area.
15. Deforestation	A company that does not have a policy to address deforestation	Yes. PZU does not have a policy to address deforestation.
16. Securities not issued under Union legislation on environmentally sustainable bonds	Securities not issued under Union legislation on environmentally sustainable bonds	Not applicable.

Table 3.
Additional indicators for social and employee respect for human rights, anti-corruption and anti-bribery matters

Indicators for social and labor issues, human rights issues, and anti-corruption and anti-bribery issues	Indicator	PZU 2025
1. Companies without workplace accident prevention policies	A company does not have workplace accident prevention policies	No. PZU has an Occupational Safety and Health Policy.
2. Rate of accidents	Rate of accidents	Accident frequency rate: 2.6.
3. Number of days lost to injuries, accidents, fatalities or illness	Number of working days lost to injuries, accidents, fatalities or illness	PZU: 756
4. Lack of a supplier code of conduct	A company does not have a supplier code of conduct (against unsafe working conditions, precarious work, child labor and forced labor)	No. PZU has a “Code of Conduct and CSR Best Practices for PZU Group’s Supplier” The document is available on the PZU website.
5. Lack of grievance/complaints handling mechanism related to employee matters	A company does not have a grievance/complaints handling mechanism related to employee matters	No. PZU has a grievance/complaints handling mechanism related to employee matters, an Anti-Mobbing and Anti-Discrimination Commission has been appointed to verify unacceptable behaviors. It reviews employee complaints and investigates each signal of actions or behaviors that may have the features of mobbing or discrimination, as well as unequal treatment in employment.
6. Insufficient whistleblower protection	A company does not have a whistleblower protection policy	PZU has a “Whistleblowing Procedure” in place.
7. Incidents of discrimination	Number of incidents of discrimination Number of incidents of discrimination leading to sanctions	Number of incidents of discrimination: 1 (an investigation was conducted, but the case was not confirmed) Number of incidents of discrimination leading to sanctions: 1 (an investigation was conducted, but the case was not confirmed).
8. Excessive CEO pay ratio	Average ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	15.4
9. Lack of a human rights policy	A company has no human rights policy	No. PZU has a human rights policy. The policy is available on the PZU website.
10. Lack of due diligence	A company is not conducting a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	No. The PZU Group has a human rights due diligence process in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, which is reviewed annually. A Management Board Representative for Human Rights in PZU SA oversees this process.
11. Lack of processes and measures for preventing trafficking in human beings	A company does not have a policy to prevent human trafficking	No. PZU has a PZU Group Human Rights Policy and a Code of Conduct and CSR Best Practices for PZU Group’s Suppliers (until December 2023, there was a Code of CSR Best Practices for PZU Group’s Suppliers). Documents are available on the PZU website.
12. Operations and suppliers at significant risk of incidents of child labor	A company exposed to operations and suppliers at significant risk of incidents of child labor in terms of geographic areas or type of operation	No. PZU SA is not exposed to operations and suppliers at significant risk of incidents of child labor in terms of geographic areas or type of operation. In accordance with the Code of Conduct and CSR Best Practices for PZU Group’s Suppliers, the supplier ensures respect for human rights in its operations and firmly rejects the possibility of child labor and complies with applicable laws against child labor.
13. Operations and suppliers at significant risk of incidents of forced or compulsory labor	A company exposed to operations and suppliers at significant risk of incidents of forced or compulsory labor in terms of geographic areas or the type of operation	No. PZU SA is not exposed to operations and suppliers at significant risk of incidents of forced or compulsory labor in terms of geographic areas or the type of operation. In accordance with the Code of Conduct and CSR Best Practices for PZU Group’s Suppliers, the supplier ensures respect for human rights in its operations and does not tolerate any form of slave or forced labor.
14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents	Number of cases of severe human rights violations in PZU: 0.
15. Lack of anti-corruption and anti-bribery policies	A company that does not have an anti-corruption and anti-bribery policies consistent with the United Nations Convention against Corruption	PZU has an Anti-Corruption Program in place consistent with Polish law. Poland is a member state of the United Nations Convention.
16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	A company does not take sufficient action to address breaches of standards of anti-corruption and anti-bribery	PZU takes action to address breaches of standards of anti-corruption and anti-bribery.
17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Number of convictions for violation of anti-corruption and anti-bribery laws Amount of fines for violation of anti-corruption and anti-bribery laws	Number of convictions for violation of anti-corruption and anti-bribery laws 0. Amount of fines for violation of anti-corruption and anti-bribery laws: PLN 0

11.3. Glossary of terms

insurance agent – commercial undertaking conducting agency activity pursuant to an agreement executed with an insurance undertaking. The activity of agents focuses on acquiring customers, entering into insurance contracts, participating in the administration and performance of insurance agreements and organizing and supervising agency activity

assurbanking – distribution of banking products by insurance companies

bancassurance – distribution of insurance products by banks

business banking – a segment of Bank Pekao's and Alior Bank's operations that includes services for corporate clients, including business loans and financial services

retail banking – a segment of Bank Pekao's and Alior Bank's operations aimed at retail clients (natural persons), including consumer loans, personal accounts, deposits, among others

BEL – Best Estimate Liability under insurance contracts, i.e., the amount required to ensure payment of services and benefits to insureds according to best estimates, i.e., when everything happens according to predictions (best estimate assumptions)

OSH (Occupational Safety and Health) – a set of rules for the safe and hygienic performance of work

biodiversity – the biodiversity of species and ecosystems. In the EU taxonomy, it appears as one of the environmental areas covered by the "do no significant harm" (DNSH) principle

insurance broker – entity holding a permit to conduct brokerage activity. Performs activities on behalf or in favor of an entity seeking insurance cover

CAPEX (Capital Expenditures) – capital expenditures incurred for the purchase or improvement of fixed assets

CERs (Certified Emission Reduction) – CO_2 offset units issued under the Clean Development Mechanism (CDM), established by the Kyoto Protocol. Each CER corresponds to a reduction of one ton of CO_2 equivalent and can be used to offset emissions in emissions trading schemes

Co_2e (Carbon Dioxide Equivalent) – a measure of total greenhouse gas emissions converted to CO_2

coverage units – coverage units of insurance services used to determine contractual service margin (CSM) amortization schemes

CRM (Customer Relationship Management) – an approach and set of tools and technologies for customer relationship management

cross-selling, x-selling – sales strategy for selling an insurance product in combination with a complementary insurance product or an insurer's partner's product, e.g. a bank's product. Bancassurance products such as credit insurance may serve as an example

CSM – contractual service margin, a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services. Changes in actuarial assumptions recognized over time are passed through the CSM

CSR (Corporate Social Responsibility) – the concept under which companies voluntarily integrate social, environmental and ethical aspects into their operations and stakeholder relationships

CSRD (Corporate Sustainability Reporting Directive) – Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 expanding and making more detailed reporting of non-financial information (ESG) by companies Transposed into national law and published in the Official Journal of Laws on 17 December 2024

P/BV (Price to Book Value) – indicator specifying the ratio of the market price to the book value per share

P/E (Price to Earnings) – indicator specifying the ratio of the company's market price (per share) to earnings per share

DNSH (Do No Significant Harm) – a principle being a requirement of the EU Taxonomy that activities deemed sustainable in one area (e.g., climate change mitigation) must not at the same time seriously harm other environmental objectives (e.g., biodiversity, water resources)

DORA (Digital Operational Resilience Act) – Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022, requiring the implementation of IT risk management systems, resilience testing and reporting of cyber incidents

DPS (Dividend Per Share) – market multiple specifying the dividend per share

DY (Dividend Yield) – market multiple specifying the ratio of the dividend per share to the market share price

Taxonomy-eligible activities – a type of economic activities that falls within the scope of industries or sectors covered by the European Union Taxonomy

Taxonomy non-eligible activities – any economic activities not listed in the delegated acts of the EU Taxonomy or conducted outside the geographical area covered by the reporting requirements

ECB – European Central Bank

EIOPA – European Insurance and Occupational Pensions Authority, an authority which issues guidelines for climate risk management in insurance

EPS (Earnings Per Share) – market multiple specifying earnings per share

ESG (Environmental, Social, Governance) – sustainability factors relating to environmental, social and governance-related issues

ESRS – European Sustainability Reporting Standards developed for CSRD purposes

financed emissions – greenhouse gas (GHG) emissions attributable to a financial institution (e.g., bank, insurer) from financing, investing in or insuring the issuer's activities. Category 15 per PCAF

FOB – Forum for Responsible Business

Green Asset Ratio (GAR) – a ratio that shows what percentage of a financial institution's assets complies with sustainability criteria. In other words, it measures the extent to which banks and other financial intermediaries finance environmentally friendly projects and activities according to the EU Taxonomy

GHG (Greenhouse Gas) – a gas belonging to the group of atmospheric gases whose infrared radiation absorption and emission properties contribute to the greenhouse effect

GHG Protocol – Greenhouse Gas Protocol

GIR (Green Investment Ratio) – the ratio of the value of investments (assets) of an insurance company or other financial institution dedicated to activities considered environmentally sustainable (in line with the EU Taxonomy) to the total value of assets under analysis

GMM – General Measurement Model, the default model of IFRS 17, in which insurance liabilities are calculated as the sum of discounted estimated future cash flows (BEL), non-financial risk adjustments and CSM

circular economy – a concept that involves minimizing waste generation, reusing raw materials and recycling

WSE – Warsaw Stock Exchange;

greenwashing – the practice of misleading customers by presenting an activity or product as more environmentally friendly than it really is

GUR (Green Underwriting Ratio) – a green insurance indicator which shows the share of sustainable insurance products (compliant with the EU Taxonomy) in the total revenues or premiums of an insurance company

GWP (Gross Written Premium) – the total amount of premiums from insurance policies issued by an insurer during a specified period It accounts for the full value of these premiums before deducting reinsurance costs, reimbursements and other deductions

time horizon – the timeframe over which a given risk or impact is significant

IDD – Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (Insurance Distribution Directive)

IMGW – Institute of Meteorology and Water Management

emission intensity – an indicator showing the amount of greenhouse gases emitted per unit of production, energy or other indicator of economic activity

waste generation intensity – an indicator showing the amount of waste emitted per unit of production or other indicator of economic activity

IPO (Initial Public Offering) – public offering of specific securities performed for the first time. One of the most important elements of an initial public offering is the preparation of a prospectus and the proceeding before the institution supervising admission to be traded publicly

ISO (International Organization for Standardization) – an international standards organization which develops and publishes technical, quality, safety and management standards

IT (Information Technology) – information technology involving the processing, storage, transmission and management of data by means of computer systems, software and ICT networks

Civil Code – Act of 23 April 1964 entitled Civil Code

KID (Key Information Document) – a document containing key information about an investment or insurance product

KNF (Polish Financial Supervision Authority) – the supervisory authority responsible for the financial market in Poland

KPI (Key Performance Indicator) – a measure used to assess the achievement of strategic (financial, climate, social) goals

Baltic Countries – Lithuania (LD, PZU LT GD), Latvia (Balta), Estonia (LD branch)

Commercial Company Code – Act of 15 September 2000 entitled Commercial Company Code

LRC – Liability for Remaining Coverage

risk materialization – the process by which an anticipated risk turns into an actual event

minimum safeguards – a principle derived from the EU Taxonomy (Article 18 of Regulation 2020/852). Includes procedures used by companies to ensure that their operations comply with international standards for responsible business conduct

initial recognition (IR) – the date of first recognition of an insurance contract

ILO – International Labor Organization

SMEs – Small and Medium Enterprises

climate neutrality – a state in which activities do not contribute (on a net basis) to an increase in greenhouse gas concentrations. This is the term used to describe the equilibrium (zero balance) between greenhouse gases emitted and their storage or absorption

nondistinct investment component (NDIC) – represents the portion of the benefit payable to the insured that will always be paid to the insured regardless of whether an insured event occurs

NPS (Net Promoter Score) – an indicator of customer satisfaction and loyalty

dual materiality assessment – a concept used in non-financial reporting (CSRD) which accounts for both the impact of ESG factors on a company's financial profit or loss (financial materiality) and the impact of its activities on the environment and society (impact materiality)

OECD – Organisation for Economic Co-operation and Development

OPEX – Operating expenses that are charged to the profit and loss account

ORSA (Own Risk and Solvency Assessment) – an internal risk and solvency assessment process at insurance companies. It includes, among other things, stress testing and analysis of the impact of climate risks on the insurer's financial standing

sustainability statement – obligation to disclose data on the environment, social issues, governance, among others, in accordance with new European standards (ESRS) under the CSRD

RES (Renewable Energy Sources) – energy obtained from natural and constantly renewed sources, such as the sun, wind, water, biomass or geothermal energy

PAA – Premium Allocation Approach, a simplified approach, where the measurement of the liability for remaining insurance cover is analogous with the unearned premiums mechanism according to IFRS 4 (without a separate presentation of risk adjustment for non-financial risk or contractual service margin), whereas liabilities for paid claims are measured in the same manner as for the general measurement model. The PAA method is applied to short-term contracts that meet the relevant eligibility criteria at initial recognition

PCAF (Partnership for Carbon Accounting Financials) – an initiative creating standards for calculating greenhouse gas emissions attributable to financial institutions in connection with their financing (so-called financed emissions)

Tax Group – PZU Tax Group – on 10 November 2023, a Tax Group agreement was signed, covering 14 companies: PZU, PZU Życie, LINK4, PZU CO, PZU Pomoc SA, Ogrodowa-Inwestycje sp. z o.o., PZU Zdrowie SA, Tulare Investments sp. z o.o., TFI PZU, Ipsilon sp. z o.o., PZU Finanse sp. z o.o., PZU LAB SA, Omicron Bis SA, PZU Projekt 01 SA. The Tax Group was established for a period of 3 years – from 1 January 2024 to 31 December 2026 – and the Head of the First Mazowiecki Tax Office issued a registration decision on 13 December 2023. PZU is the parent company representing the Tax Group. The Tax Group performs settlements with the Tax Office on a monthly basis. PZU pays advances for corporate income tax that are due from all the companies to the Tax Office, while the companies transfer the CIT advances related to their business activities to PZU

PIU – Polish Insurance Association;

transformation plan – a strategic document that defines the goals and actions necessary to transform the business model towards sustainable development (e.g. in decarbonization, energy efficiency, climate change adaptation) in accordance with the guidelines found in the CSRD

ECSs – Employee Capital Schemes defined by the provisions of the Act of 4 October 2018 on Employee Capital Schemes

PRIIP – Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No. 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products

gross insurance revenue – this is the remuneration expected to be received by the entity in exchange for insurance services provided during the period. In the GMM or VFA model, it includes the contractual service margin solution (CSM) in the amount of the contract profit attributable to the period, the release of the adjustment for non-financial risks during the period, the compensation, benefits and expenses expected during the period, and the portion of the premium associated with the recovery of acquisition costs, and the PAA simplified model includes the amortization of liabilities for remaining coverage

Insurance Finance Income or Expenses (IFIE) – the effect of time value of money and financial risks and their changes recognized partly in the profit and loss account and partly in other comprehensive income

adjustment for non-financial risk (RA) – compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfills insurance contracts

reinsurance – transfer to some other insurance company – the reinsurer – of all or part of the insured risk or class of risks along with the pertinent portion of the premiums. As a result of reinsurance, a secondary split of risks transpires to minimize the risks to the insurance market

outward reinsurance – reinsurance activity whereby the insurer (assignor) transfers a portion of the concluded insurance to a reinsurer or reinsurers in the form of a reinsurance agreement

inward reinsurance – reinsurance activity whereby a reinsurer or reinsurers accept a portion of insurance or a class of insurance transferred by an assignor

technical provisions (PSR) – provisions that should ensure full coverage of current and future liabilities that may result from executed insurance contracts. The following, in particular, are included in technical provisions: provision for unearned premiums, provision for life insurance, provision for outstanding claims and benefits, provision for unexpired risks, provision for investment risk borne by policyholders and provision for bonuses and discounts for insureds.

GDPR – Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC

Delegated Regulation (EU) 2020/852 (Taxonomy Regulation) – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

Delegated Regulation (EU) 2021/2139 (Climate Delegated Act) – Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act) – Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

CRR – Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation)

Regulation on Current and Periodic Information – Finance Minister's Regulation of 29 March 2018 on Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent (Journal of Laws of 2018, item 757).

physical risk – risk arising from the physical effects of climate change (e.g., floods, droughts, hurricanes), which may affect assets, operations and financial results

transition risk – the risk associated with the transition to a low-emissions economy, including, among other things, regulatory, technological or social changes that may affect the valuation of high-emission assets and business models

credit scoring – method for assessing the credibility of an entity (usually a natural person or a business) applying for a bank loan. The result of credit scoring is ordinarily presented in the form of a score – the higher the number of points, the greater the credibility of a prospective borrower

sell-side – part of the financial sector involved in creating, promoting and selling equities, bonds, foreign currencies and other financial instruments; it includes investment bankers who act as intermediaries between securities issuers and investors as well as market makers who provide liquidity on the market. Sell-side analysts release research reports with investment recommendations and daily comments for the buy side, i.e. for asset managers

gross written premium – the amounts of gross written premiums (net of the reinsurer's share) due by virtue of the insurance contracts executed in the reporting period, notwithstanding the term of liability stemming from these agreements

net earned premium – the gross written premium in a given period giving consideration to the settlement of revenues (premiums) over time through movement in the provisions for unearned premiums and the reinsurers' share

Consolidated financial statements – consolidated financial statements of the PZU Group prepared in accordance with IFRS for the year ended 31 December 2025

spread – the difference between the purchase and sale price of a financial instrument

SPV – Special Purpose Vehicle
established to implement an investment project

locked-in interest rates – interest rates at initial recognition

risk-free rate – rate of return on financial instruments with zero risk. In PZU the risk-free rate is based on the yield curves for treasuries and it is the basis for determining transfer prices in settlements between operating segments

sum insured – amount in cash for which an insured object is insured. In non-life insurance the sum insured ordinarily constitutes the upper limit of the insurer's liability

carbon footprint – the total value of emissions of greenhouse gases associated with an organization's activities

EU Taxonomy – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, which defines criteria for considering economic activities as environmentally sustainable, aimed at facilitating sustainable investment and supporting the transition to a low-emissions economy

TCFD (Task Force on Climate-related Financial Disclosures) – a global initiative established by the Financial Stability Board (FSB) in 2015. Its goal is to develop and promote standards for the disclosure of financial information related to risks and opportunities arising from climate change

Stress testing – analysis of a financial institution's vulnerability to strong, adverse but probable events (e.g., natural disasters, economic crises), performed under ORSA and climate scenarios

Transition – date of transition to valuation in accordance with IFRS 17 standard, i.e. 1 January 2022

Total Shareholder Return (TSR) – measure specifying the total rate of return obtained by shareholders by virtue of holding shares in a given company during an annual period. This measure expresses the sum total of profit stemming from the movement in the share price of a given company and the dividends paid during the time when an investor holds its shares in relation to its share value at the beginning of a given year. It is expressed as a percentage on an annualized basis

unit-linked – Unit-linked insurance fund, a separate fund consisting of assets constituting a provision consisting of insurance premiums invested in the manner specified in the insurance agreement, a constituent part of unit-linked life insurance also referred to as an investment policy

UNGC – United Nations Global Compact

underwriting (insurance risk assessment) – the process of identifying, analyzing and evaluating the risks submitted by a corporate client for insurance, leading to the decision to accept the risk, set the terms of coverage and conclude an insurance policy

UoA (Unit of Account) – a unit of account, the lowest level at which valuation under IFRS 17 is conducted, only at this level compensation of profit and loss of insurance contracts is allowed

Act on Statutory Auditors – Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, Item 1089, as amended)

UOKiK – Office of Competition and Consumer Protection, the Polish anti-trust authority, acting to ensure the development of competition, protect businesses exposed to monopolistic practices and protect consumer interests, www.uokik.gov.pl

Insurance Activity Act – Act of 11 September 2015 on Insurance and Reinsurance Activity (Journal of Laws of 2015, item 1844), with most regulations in force as of 1 January 2016. This Act introduced Solvency II requirements to the Polish legal system

release of non-financial risk adjustment (RA) presented in profit or loss – compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks as the entity fulfills insurance contracts

release of the contractual service margin (CSM) – contractual service margin release presented in profit or loss – contractual service margin (CSM) is released in the current period based on the proportion of the total insurance service provided in the period

UX (User Experience) – area related to the experiences of users of the respective tool (or, more broadly, of a process, or interacting with the brand in general). It is associated directly with web usability, which is an empirical field of knowledge dealing with the design and testing of tools (in this case: online tools) in consideration of the needs and preferences of target users. In the context of websites, it involves broadly construed usefulness and effectiveness in attaining specific goals

VFA – Variable Fee Approach, method based on the building block approach, applied for contracts with direct participating features, where changes in economic assumptions passes through CSM over the life of contract, method applied e.g. for Unit-Linked contracts

WIBOR6M – reference interest rate for a loan for 6 months on the Polish interbank market

Solvency II – solvency system for European insurance undertakings taking the risk profile into account. These requirements have been in force since 1 January 2016

OECD Guidelines – OECD Guidelines for Multinational Enterprises

UN Guiding Principles – UN Guiding Principles on Business and Human Rights

prudent person principle – principle expressed in article 129 of the Solvency II Directive of the European Parliament and of the Council on the Taking-up and Pursuit of the Business of Insurance and Reinsurance that imposes on insurance undertakings and reinsurance undertakings the requirement of investing assets in the policyholders' best interest, properly matching investments to liabilities and duly incorporating the various types of financial risk, such as liquidity risk and concentration risk

ZBP – Union of Polish Banks

liability (or asset) for insurance contracts – replaces in IFRS 17 the existing technical provisions and other balance sheet contributions related to the valuation of insurance contracts. It consists of the Liability for Remaining Coverage and Liability for Incurred Claims)

sustainable finance – a term referring to the consideration of ESG factors in financial decisions (loans, investments, insurance) to support climate and energy transition, environmental protection and social development

Names of entities

Balta
AAS BALTA

Alior
Alior Bank SA

Alior Group
Alior Bank with its subsidiaries

Pekao Group
Bank Pekao with its subsidiaries

PZU Group
The PZU Group is all entities included in the scope of consolidation.

Lietuvos Draudimas
AB "Lietuvos draudimas"

LINK4
Link4 Towarzystwo Ubezpieczeń SA

Bank Pekao
Bank Pekao SA

PZU, parent company
Powszechny Zakład Ubezpieczeń Spółka Akcyjna

PZU Lietuva gyvybes draudimas
UAB "PZU Lietuva gyvybes draudimas"

PZU CO
PZU Centrum Operacji SA

PZU Ukraina
PRJSC IC "PZU Ukraine"

PZU Zdrowie
PZU Zdrowie Spółka Akcyjna

PZU Życie
Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna

TFI PZU
Towarzystwo Funduszy Inwestycyjnych PZU SA

TUW PZUW
Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych

Armatura Kraków
Armatury Kraków SA

Ogrodowa-Inwestycje
Ogrodowa-Inwestycje Sp. z o.o.

11.4. Alternative Performance Measures

Selected Alternative Performance Measures (APM) within the meaning of European Securities and Markets Authority Guidelines (ESMA) no. 2015/1415 are presented below.

The profitability and operational efficiency indicators presented herein, constituting standard measures applied generally in financial analysis, provide, in the opinion of the Management Board, significant additional information about the PZU Group's financial performance. Their usefulness was analyzed in terms of information, delivered to the investors, regarding the Group's financial standing and financial performance.

aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses.

Assets of external clients of TFI PZU and PTE PZU (PLN billion) – assets of external clients accumulated in the PZU "Złota Jesień" Open-End Pension Fund and the PZU Voluntary Pension Fund as well as all assets accumulated and managed by TFI PZU, other than those constituting own funds of PZU Group companies. Compared to the values reported before 2021, PPE products sold by PZU Życie as UFK and managed by TFI PZU as asset management were also included. An increase in this indicator means that the inflows of assets into the funds are greater than the outflows from the funds and/or that the funds generated positive rates of return on assets under management.

COR – Combined operating ratio, calculated for the non-life insurance sector. This is the ratio of insurance service expenses, including amounts recoverable from reinsurers to the net income on insurance activities; a decrease in the value of this indicator signifies an improvement in efficiency (Combined Operating Ratio).

Net interest margin (NIM) – the difference between a bank's net interest income earned on income-generating assets and interest expenses incurred on liabilities. It is the ratio of a bank's earnings generated on interest to average assets net of matured interest on at-risk receivables; an increase in the value of this indicator signifies an improvement in efficiency.

Operating margin in life insurance – profitability of life insurance segments, calculated as the ratio of the profit or loss on operating activities to the net income on insurance activities; the higher the ratio, the better the efficiency.

Operating margin in group and individually continued insurance – profitability of the segment of group and individually continued insurance, calculated as the ratio of profit/loss on operating activity to net insurance revenues; an increase in the value of this indicator signifies an improvement in efficiency.

Revenue of the Health Pillar / Area – gross written premium from health insurance (property and life insurance) and revenue from medical care subscription, occupational medicine, services under a contract with the NFZ and fee-for-service products carried out in medical centers of PZU Zdrowie (in branches and subsidiaries of PZU Zdrowie), excluding intragroup transactions.

Number of contracts of the Health Pillar / Area – the number of contracts of clients of health products of the PZU Group (PZU Życie, PZU, PZU Zdrowie, TUW PZUW, LINK4), i.e., the number of contracts of clients having: group or individual health insurance, subscription for medical services or occupational medicine services. For group contracts, the client is either the insured or the beneficiary.

ROA (Return on Assets) – return on assets, calculated as the ratio of the annual net profit to the arithmetic mean of total assets at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency, i.e. a greater ability of the assets to generate profits.

ROE (Return on Equity) attributable to equity holders of the parent – return on equity calculated as the ratio of the annual net profit attributable to owners of the parent company to the arithmetic mean of consolidated equity minus minority interest at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency and the ability to multiply funds entrusted by the owners.

Consolidated ROE (Return on Equity) – return on equity calculated as the ratio of the annual net profit to the arithmetic mean of consolidated equity at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency and the ability to multiply funds entrusted by the owners.

Administrative expense ratio – the quotient of net administrative expenses and to net insurance revenues; the ratio determines the percentage of administrative expenses to net insurance revenues and a decrease in the value of the ratio indicates an improvement in efficiency.

Cost/Income ratio (banking sector) – the quotient of the PZU Group's non-insurance operating expenses excluding tax on other financial institutions and total operating income, which includes: interest income calculated using the effective interest rate and equalized, other net investment income, result on discontinued recognition of financial instruments and investments not measured at fair value through profit or loss, net change in fair value of assets and liabilities measured at fair value, interest expenses, as well as result on commissions and fees and other operating income and expenses; a decrease in the value of the ratio indicates an improvement in efficiency;

PZU Group's solvency ratio – the level of coverage of the solvency capital requirement with the PZU Group's own funds within the meaning of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended and supplemented with related documents; an increase in the value of this indicator signifies an increase in the capital surplus.

These Financial Statements contain forward-looking statements concerning the strategic operations. Such forward-looking statements are exposed to both known and unknown types of risks, involve uncertainties and are subject to other significant factors which may cause that the actual results, operations, or achievements of PZU Group considerably differ from future results, operations, or achievements expressed or implied in the forwards-looking statements. The statements are based on a number of assumptions concerning the current and future business strategy of PZU Group and the external environment in which the Group will operate in the future. PZU expressly waives any and all obligations or commitments concerning distribution of any updates or adjustments to any of the assumptions contained in these Management Board's report on the activity of the PZU Group and PZU, which shall aim to reflect the changes in PZU expectations or changes in events, conditions, or circumstances on which a given assumption has been made, unless provisions of the law provided otherwise. PZU stipulates that the forward looking statements do not constitute a guarantee as to the future results, and the company's actual financial standing, business strategy, management plans and objectives concerning the future operations may considerably differ from those presented or implied in such statements contained in these Management Board's report on the activity of the PZU Group and PZU. Moreover, even if the PZU Group's financial standing, business strategy, management plans and objectives concerning the future operations comply with the forward-looking statements contained in these Management Board's report on the activity of the PZU Group and PZU, such results or events may not be treated as a guideline as to the results or events in the subsequent periods.

PZU does not undertake to publish any updates, changes, or adjustments to information, data or statements contained in these Management Board's report on the activity of the PZU Group and PZU if the strategic operations or plans of PZU shall change, or in the case of facts or events that shall affect such operations or plans of PZU, unless such an obligation to inform resulted from applicable provisions of the law.

PZU Group is not liable for the effects of decisions made following the reading of the Management Board's report on the activity of the PZU Group and PZU.

At the same time, these Management Board's report on the activity of the PZU Group and PZU may not be treated as a part of a call or an offer to purchase securities or make an investment. The Management Board's report on the activity of the PZU Group and PZU does not constitute also an offer or a call to effect any other transactions concerning securities.