



Date of preparation: **2019-06-04**

Issuer's abbreviated name: PZU SA

**Current Report No. 17/2019**

Subject: **Information provided to a shareholder outside the Shareholder Meeting pursuant to Article 428 of the Commercial Company Code**

Legal basis: **Article 56 Section 1 Item 2 of the Act on Offerings – current and periodic information**

Body of the report:

The Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna ("PZU SA", "Company") hereby presents the information that was provided today to a shareholder outside the Shareholder Meeting in response to the questions asked by the shareholder on 24 May 2019 pursuant to Article 428(1) of the Commercial Company Code.

**Question 1: How does PZU intend to manage the reputation risk arising from the fact that the Company simultaneously insures entities that are responsible for intensifying climate change and victims of extreme weather phenomena exacerbated by this change?**

As part of its insurance activity, the PZU Group monitors on an ongoing basis its exposure in each business segment, taking into consideration the risk factors affecting the achievement of the targets set in the adopted business strategy. One of the elements of the such activities was the implementation by PZU SA at the end of 2018 of a procedure for risk analysis and identification of key risks. The adopted procedure is aimed at identification, analysis and mitigation of threats occurring in the Company's activities. In accordance with its assumptions, for each identified risk, an assessment is carried out of its impact on reputation. Also the risks that have been mentioned in the question are identified and put under scrutiny within the framework of the said procedure.

**Question 2: How have the decisions made by 6 out of the 8 insurance companies that used to be involved in insuring power plants and coal mines in Poland in the past affected the selection of strategic options by PZU and the estimated costs of insuring the lignite mines in the pipeline?**

In formulating our strategies and choosing strategic options, we always act in accordance with the principles of economic calculation and creating shareholder value. Our decisions are intended to ensure sustainable development for the PZU Group. On an ongoing basis, we examine the impact we make on the environment in which we run our business. We attach great importance to issues related to the natural environment, society and corporate governance standards (ESG). We endeavor to ensure that our decisions are made in consideration of these three areas of our impact keeping in mind the sustainable development objective. In practice, this means, first and foremost, adherence to local regulations, laws and best practices. Every time we define a strategy, we take into consideration our changing external environment, including the evolution of customer expectations and actions taken by our competitors. We carefully analyze each of these factors whenever we make decisions on specific business pursuits. As regards the costs associated with insuring any particular type of asset, the prices of our insurance products take into account all risks and potential expenses related to the provision of insurance cover.

Legal basis: § 19 Section 1 Item 12 of the 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.