



PZU Group Decarbonisation Strategy

Warsaw, August 2026

The PZU Group Decarbonisation Strategy sets out the organisation's ambition to reduce greenhouse gas emissions and the direction of its climate transition. The Strategy complements the objectives and courses of action defined in the business strategy.

This document structures our carbon-footprint management approach by defining what **the organisation intends to achieve in relation to emissions, within what timeframe, and against which standards and commitments**. The Decarbonisation Strategy is a **framework and directional** document focused on setting targets, identifying impact areas and ensuring that climate action is aligned with the organisation's overall strategy and business model.

Over time, we plan to expand emission-reduction plans to cover more of our business activities and generated emissions, and to set reduction targets for other PZU Group entities. Where we already recognise the environmental impact of key activities but have not yet set reduction targets, we have adopted commitments supporting decarbonisation.

Financed emissions (Scope 3)

	Sector	Sector scope	Unit of measure	Base-year value	2030 reduction target	Planned reduction
	Insurance	Corporate client portfolio	emissions ktCO ₂ e	352,8	271,5	-23%
	Power sector	PKD 35.11-35.14	emissions intensity kgCO ₂ e/MWh	322	195	-39,5%
	Residential real estate	Mortgage loans	emissions intensity kgCO ₂ e/m ²	58,8	33,3	-43,4%
	Power generation	PKD 35.11	emissions intensity kgCO ₂ e/MWh	287,53	138	-52%
	Residential real estate	Residential loan portfolio	emissions intensity kgCO ₂ e/m ²	39,54	27,7	-30%

Own emissions (Scope 1 and 2)

	Own operations	Scope 1 and 2 (market-based)	emissions ktCO ₂ e	36,9	30,6	-17%
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Climate targets in the PZU Group – insurance segment

(base year: 2023; target aligned with MDR-T)

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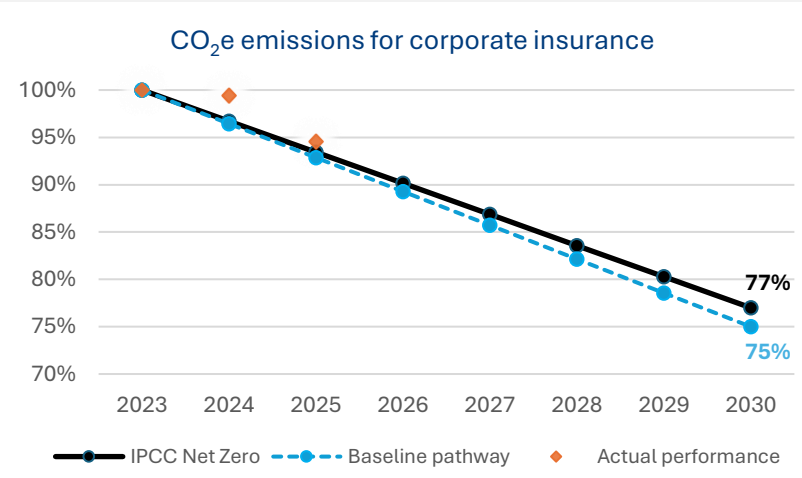


Target updated and aligned with the PZU Group Strategy

-23 %

Corporate insurance

Absolute reduction in emissions in the portfolio of clients with declared (reported) emissions (ktCO₂e)



Decarbonisation actions (levers):

- **Engage with 5 major** emitters in the portfolio to support emission reductions
- **Develop an IT tool** enabling SMEs to calculate emissions using basic data
- **Supporting the transition** (for the supplementary emissions-intensity metric): additional gross earned premium from energy-transition projects (approx. PLN 30 million by 2030)
- **(new action) Direct monitoring of the client portfolio** with the highest emissions, covering their reduction targets, actions taken, reported emissions and decarbonisation progress

The emission-reduction target was set in absolute terms for a selected client portfolio, assuming a constant portfolio structure and revenue level. This approach makes it possible to **separate the effect of clients’ decarbonisation from changes resulting from business growth**. The adopted trajectory was benchmarked against the IPCC Net Zero (1.5°C) pathway, and the 23% level reflects the emission reduction required over the analysed period at the portfolio’s current emission level.

The target covers a selected portfolio of PZU SA and TUW PZUW corporate clients with reported emissions, representing approx. 65% of CO₂e emissions attributed to the PZU Group’s corporate-insurance segment in 2025. Base-year emissions were calculated in accordance with the PCAF methodology, and the projection is based on clients’ decarbonisation scenario. The adopted emission-reduction target takes into **account the implementation of clients’ own-emission reduction commitments** that have reported such plans.

By the end of 2030, CO₂e emissions in this portfolio of clients with declared (reported) emissions are expected to reach **271.5 ktCO₂e**, down from 352.8 ktCO₂e.

Progress to date:

Observed changes in CO₂e emissions **are consistent with the adopted** modelled trajectory. The achieved level reflects clients’ decarbonisation actions (emissions in the monitored portfolio declining by more than 5%). This is **consistent with the adopted assumptions** regarding the portfolio’s planned emissions and with the direction of Poland’s economic transition.

Emissions intensity:

As part of target monitoring, **CO₂e emissions intensity is also measured**. A reduction has also been observed in this case, amounting to 14.71% to date (from 235.01 to 200.44 tCO₂e per PLN million of GWP).



Climate targets in the PZU Group – banking segment

(base year: 2025; targets aligned with MDR-T)

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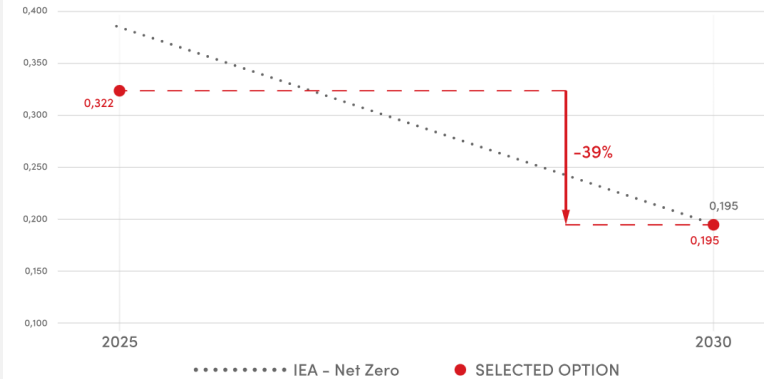


The targets and actions in this area remain an autonomous decision of Bank Pekao S.A.

-39,5 %

Power sector

Reduction by 2030 in the emissions intensity of generation technologies and activities in the power sector financed by the Bank (tCO₂e/MWh)



Decarbonisation actions (levers):

- **Increase** balance-sheet exposure to technologies **based on natural gas** (as a transition fuel) **to 24.7% in 2030** (relative to total exposure to the power sector),
- Maintain a high level of targeted financing for **zero-emission generation technologies, exceeding 50%** of balance-sheet exposure to the power sector,
- **No new targeted financing** for generation technologies based on other fossil fuels, such as coal or oil

-43,4 %

Mortgage loans

Reduction by 2030 in the emissions intensity of residential real estate financed by the Bank (kgCO₂e/m²)



- Gradual **increase in the share of sales of loans for energy-efficient properties** (EP not exceeding 87 kWh/m²/year) and highly energy-efficient properties (EP not exceeding 25 kWh/m²*year), to 60% of the mortgage portfolio in 2030 versus 40% in 2025.
- Introduce **a cap on the share of energy-intensive exposures** in new sales

Target performance is monitored by the Bank.

-60,8%

Scopes 1 and 2 in the Bank Pekao S.A. Group

Reduction in own-operation emissions by 2030 compared with 2024 (tCO₂e)



The targets were set in the Bank Pekao S.A. Group Transition Plan dated 19 February 2026.

Details, including assumptions, actions and other information related to the defined emission-reduction pathways, are available at: Bank [Pekao Group Transition Plan](#)

Climate targets in the PZU Group – banking segment

(base year: 2024 for the residential loan portfolio and 2025 for power generation; targets aligned with MDR-T)

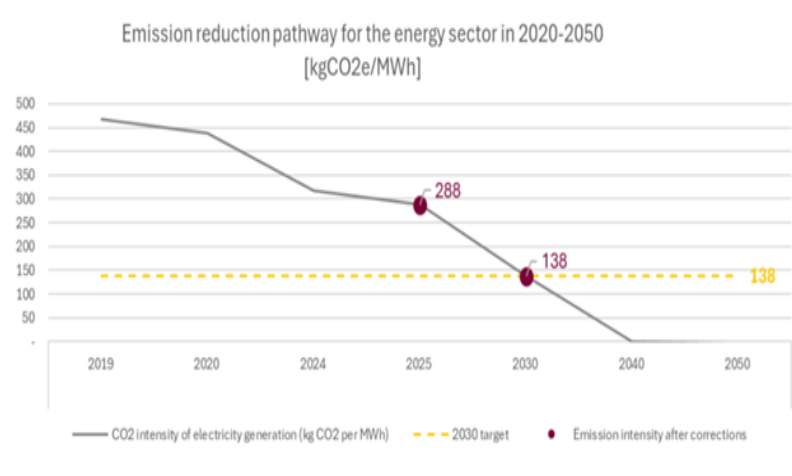
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The targets and actions in this area remain an autonomous decision of Alior Bank S.A.

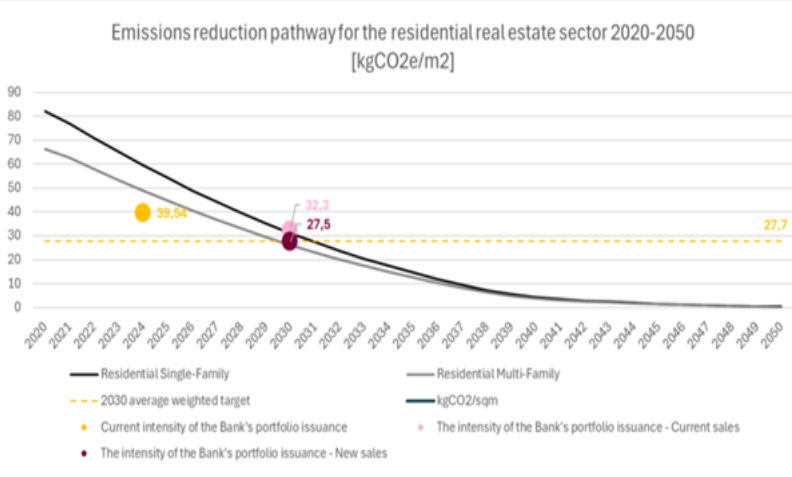
-52 %

Power generation sector
Reduction in emissions intensity to approximately 138 kgCO₂e/MWh by 2030 (kgCO₂e/MWh)



-30 %

Residential loan portfolio
Reduction in emissions intensity to approximately 27.7 kgCO₂e/m² by 2030 (kgCO₂e/m²)



- Decarbonisation actions (levers):**
- **Develop measures supporting** the financing of renewable-energy, energy-storage and transition-technology projects
 - **Limit the active acquisition of new clients from high-emitting sectors**, while maintaining dialogue with existing counterparties regarding their transition plans
 - **Develop financing offers for renewable-energy projects**, supporting the achievement of emission-reduction targets in the power sector
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- **Regular dialogue with key stakeholders**, including clients, regulators and industry partners, to support the transition towards a low-carbon economy
 - **Participation in industry initiatives and regulatory consultations** concerning sustainability reporting and finance standards
 - **Continuous monitoring of the mortgage-portfolio structure**, with particular attention to changes in properties' energy characteristics and the gradual increase in the share of newer, more energy-efficient buildings

Target performance is monitored by the Bank.



Climate targets in the PZU Group – own operations, Scopes 1 and 2

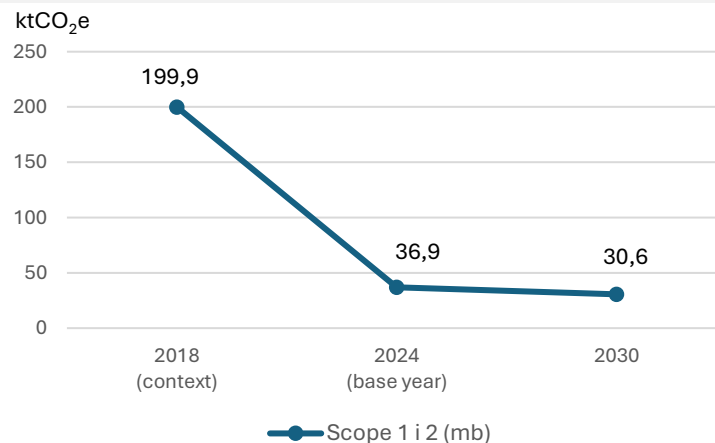
(base year: 2024; target aligned with MDR-T)

NEW TARGET

-17 %

Direct and indirect emissions

Absolute reduction in own-operation emissions from fuel combustion in vehicle fleets and properties, including electricity and heat consumption (ktCO₂e)



Decarbonisation actions (levers):

- **Replace the fleet** of company vehicles with low-emission vehicles and reduce the number of diesel and petrol vehicles
- **Optimise** office space through the sale or relocation of selected properties
- **Upgrade** property installations to improve energy performance
- For manufacturing operations in the PZU Group, **upgrade installations** using natural gas

The target covers emission reductions from our properties and vehicle fleet and is based on the following key assumptions:

- reduction and modernisation of the company-vehicle fleet towards low-emission vehicles
- optimisation of the office-space portfolio
- planned reduction in fuel and energy consumption in properties as a result of the planned actions
- decarbonisation of the energy mix based on the updated National Energy and Climate Plan (NECP)

The target is implemented by the following PZU Group entities: PZU SA, PZU Życie SA, PZU Zdrowie SA, Armatura Kraków SA, Ogrodowa Inwestycje sp. z o.o., Tower Inwestycje sp. z o.o., PZU Centrum Operacji S.A., Link4 TU S.A., TUW PZUW, TFI PZU SA, PZU Pomoc SA, PTE PZU SA, PZU Finanse sp. z o.o., PZU LAB SA, PZU TECH SA.

As a result, we plan to **reduce market-based Scope 1 and 2 emissions from approx. 36.9 ktCO₂e to approx. 30.6 ktCO₂e. Compared with emissions reported for 2018, this will represent a reduction of more than 84%.**

Limitations:

- **The complex and unique structure of the PZU Group**, in particular its manufacturing activities (Armatura Kraków), healthcare activities (desired expansion of the facility network) and investment activities
- Dependence on **weather conditions** and difficult-to-predict mass-loss events, which increase fleet fuel demand
- Limited scope for further property optimisation-upgrades **may prove uneconomic relative to their effects**

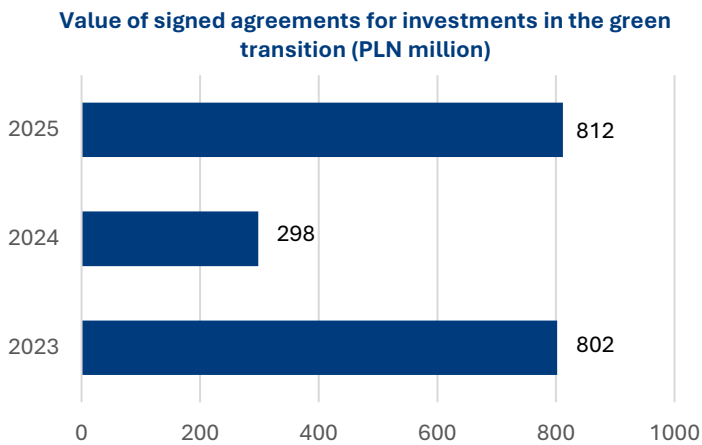
The pace of emission reductions depends largely on **changes in the national energy mix.**

Climate targets in the PZU Group – additional measures supporting decarbonisation



Investment segment

Gradually **increasing the share** of investments in the green transition



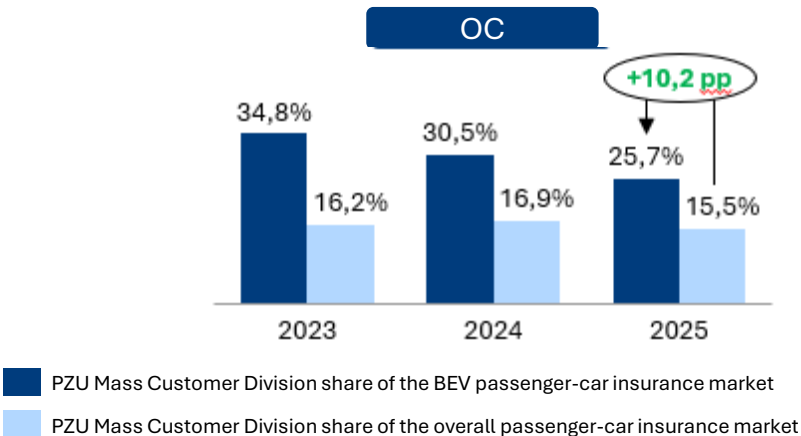
PZU Group Strategy 2025-2027 element
KPI: PLN 3bn of new investments in the green transition and innovation
Target horizon: 2027.

Implemented by:

Motor insurance segment

PZU's share of the BEV passenger-car third-party liability insurance market (number of policies) **above its share** of the overall motor TPL market

Estimated PZU share of the BEV passenger-car TPL market compared with the overall passenger-car TPL market¹



Implemented by:



1. The indicator applies to the PZU SA Mass Customer Division; electric cars = BEV (battery electric vehicles); the electric-car market share covers passenger cars; the PZU Mass Customer Division market share covers passenger cars and is calculated using UFG dashboards for individual customers.



Actions



- We set decarbonisation targets for key, measurable emission areas, both operational and financed, based on data availability and the PZU Group's level of influence.
- We adopted an approach enabling effective progress monitoring and annual verification through sustainability reporting.
- The Strategy remains flexible and will be updated if the environment or available data changes materially.

Challenges



- The pace of emission reductions remains dependent on external factors, including the energy transition, progress in implementing the scenarios adopted in the NECP¹, technology availability and actions taken by our clients.
- The limited availability and quality of our clients' emissions data poses a material challenge to the precise monitoring of progress and achievement of reduction targets.
- Decarbonisation requires climate and business objectives to be balanced, including maintaining competitiveness, profitability and product availability for clients.

Outcomes



- We systematically reduce our carbon footprint and align our activities with the goals of the Paris Agreement.
- We strengthen our ability to manage climate risk and capture opportunities arising from the economic transition.
- We act in line with evolving market standards for emissions management and portfolio transition.

¹ National Energy and Climate Plan, June 2026.