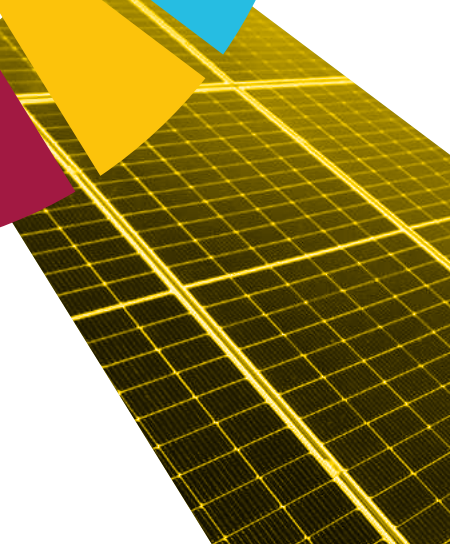




ProCredit
HOLDING



OUR IMPACT IN PRACTICE

2024 Impact Report

ABOUT THE IMPACT REPORT PACKAGE 2024

The Impact Report Package 2024 covers all institutions of the ProCredit group and consists of the following documents:

The Impact Report outlines our approach to sustainability, showcases our efforts and assesses our impact performance during the past year. It also highlights our ongoing initiatives and outlook for the future. The structure revolves around our choice of the five SDGs that are most central to our impact strategy, while also demonstrating alignment with our key material topics.

Our Impact Report Datasheet 2024 complements the Impact Report by providing more detailed data. All figures for our regional segments, sources, notes on methodology, and reference dates can be found in the datasheet along with information aligned with the EU taxonomy, signatory frameworks like the UNEP FI – Principles for Responsible Banking, SDG target indicators, and the GRI content index. Contextual information on our countries of operation is provided in the Datasheet of this report under “Sustainability context”.

ProCredit Holding reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024.

In addition to this report, we have prepared an Integrated Annual Report in accordance with the European Sustainability Reporting Standards (ESRS).

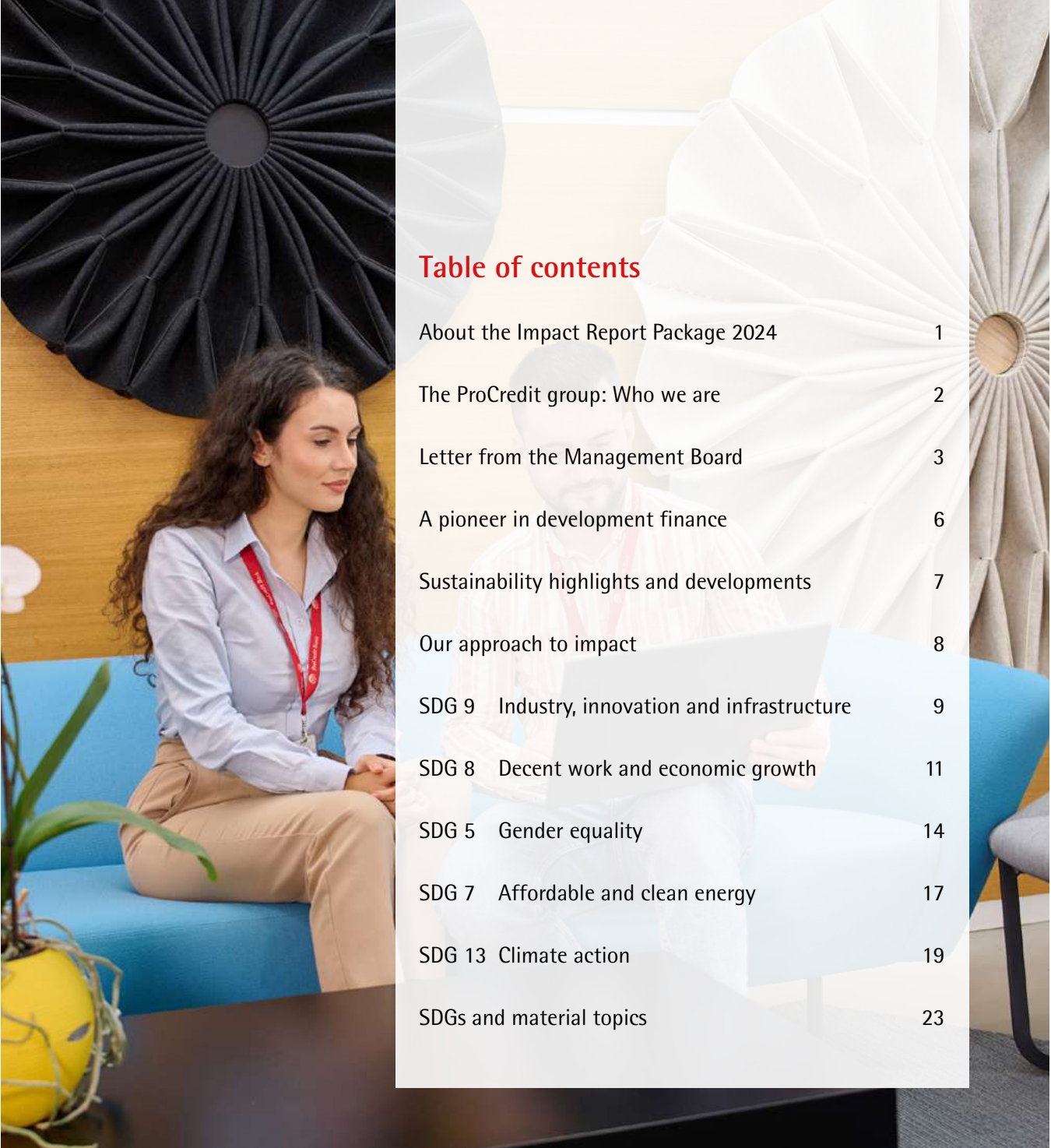
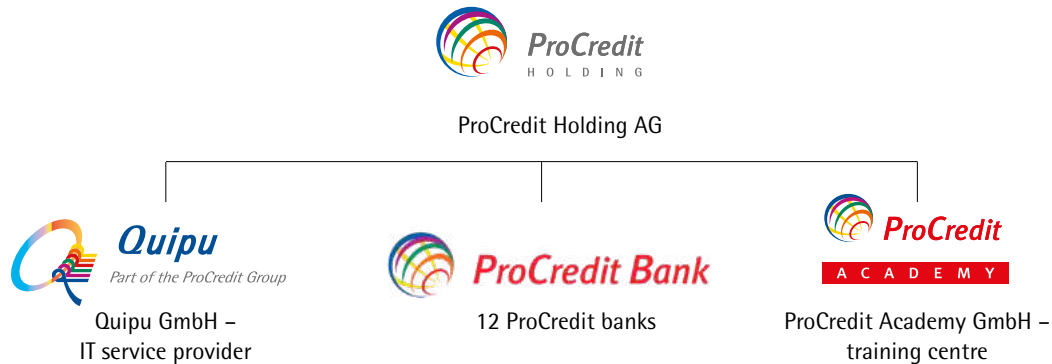


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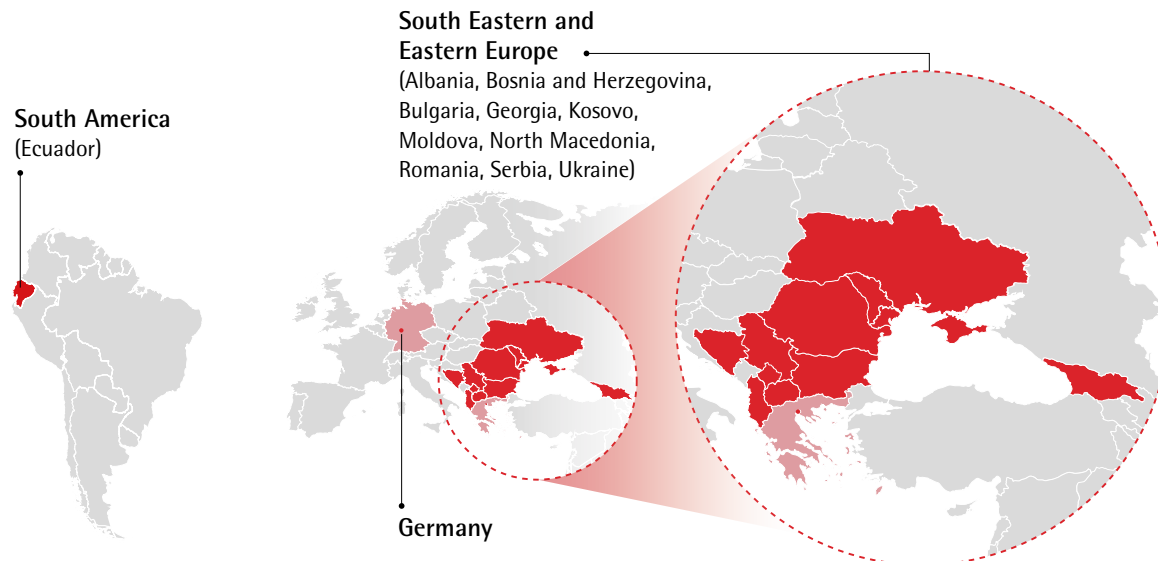
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THE PROCREDIT GROUP: WHO WE ARE

Structure of the ProCredit group



Our countries of operation



ProCredit is a German development-oriented bank for South Eastern and Eastern Europe dedicated to supporting micro, small, and medium-sized enterprises (MSMEs) and private individuals, fostering economic growth and sustainable development.

We are committed to delivering exceptional customer service that extends far beyond offering financial products. Our goal is to build strong, lasting partnerships with our clients by providing personalised advice and consistent support at every stage of their financial journey.

We believe MSMEs are vital drivers of economic and social progress. By supporting them through their economic cycle, we aim to foster sustainable development and drive the green transformation in our countries of operation. By offering accessible deposit facilities, digital banking services, and a comprehensive range of financial products, we aim to cultivate a culture of saving and financial responsibility among all our clients, including private individuals.

Our shareholders seek sustainable, long-term returns, aligned with our unwavering commitment to ethical banking practices and positive social impact.

We invest extensively in the training and development of our staff to foster an open, professional, and efficient working environment. This enables us to deliver friendly, knowledgeable, and effective service to our clients.

LETTER FROM THE MANAGEMENT BOARD



Key group figures 2024

Statement of financial position

Dec. 2024

Total assets (EUR m)	10,751.6
Customer loan portfolio (EUR m, gross)	7,010.0
of which business loans	88.2%
of which green loan portfolio	19.3%
Number of business clients	74,676
Share of defaulted loans	2.3%
Customer deposits (EUR m)	8,291.4

Key financial performance indicators

Change in customer loan portfolio	12.6%
Return on average equity	10.2%
Cost income ratio	68.1%
CET 1 ratio	13.1%
Profit of the period (EUR m)	104,309

After an exceptionally successful year in 2023, marked by record results and robust business performance, we developed an ambitious new vision for our group at the beginning of the past financial year. The aim here was to position the ProCredit group in its markets to be even more visible, influential and sustainable, and to increase the positive impact of our banking business by strengthening our presence. In this context, 2024 was the starting point for our group's bold growth plan, with the objective of scaling our business in the core segments of MSMEs and private clients, and expanding our position as a leader in impact banking in Eastern Europe.

In the coming years, we plan to expand our loan portfolio to over EUR 10 billion and to significantly expand our customer base. Along the way, we will pursue a responsible and sustainable approach to growth: In addition to the strong diversification of our portfolio through smaller loans to private clients and to micro and small businesses, we place a high value on maintaining and developing our established business relationships with medium-sized companies.

In order to realise these goals, we have taken decisive strategic steps over the past 12 months. As planned, in the past financial year we carried out targeted investments in our employees, technological innovations, marketing, and the expansion and modernisation of our branch network. These investments create a solid foundation for scaling our business in a sustainable and effective way. By the end

of 2024, we had seen a 18.7% increase in the number of employees, accompanied by branch openings and regional events in our markets that have further cemented our position among the leading banks for MSMEs in the region. In addition, our intensified public relations work – through marketing campaigns and innovative digital offers – has significantly contributed to further strengthening the visibility and profile of our banks.

Although many of these investments have only recently been implemented and therefore have not yet had a significant impact on our business, the business performance in 2024 was an overwhelming success for our group. Our credit portfolio grew by 12.6% or EUR 783.5 million – well above our already ambitious growth target of 10% – and represents the largest expansion of our credit portfolio in a single year in the history of our company.

Our credit portfolio grew by 12.6% or
EUR 783.5 million
– well above our already ambitious
growth target of 10%.



We also succeeded in growing our deposit business more robustly than ever before, e.g. by more than EUR 1 billion, which corresponds to a growth rate of 14.3%. The structure of our growth was, as intended, very granular.

On the lending side, growth was most pronounced in the small-volume customer segments (micro and small enterprises and private clients), which accounted for over 65% of the growth; our smaller banks saw particularly high growth rates, and we see especially strong potential for future economies of scale there.

On the deposit side, the majority of the growth came from retail customers, allowing us to reinforce the granularity of our funding structure. We were also able to significantly expand the number of our business customers during the financial year. With an increase of more than 5,000 business customers, bringing the total to almost 75,000, our position among the leading banks for MSMEs in the region has been further fortified. The number of our private customers rose by around 22,000. In the years to come, we expect our strategic investments to further strengthen this trend and lead to even more dynamic growth.

Our business performance should be seen in the context of the geopolitical and economic challenges. Russia's war of aggression against Ukraine is now entering its fourth year and continues to weigh heavily on the population and the local economy. Nevertheless, the resistance

against this injustice and inhumanity remains steadfast. Despite the difficult environment, our bank in Ukraine once again achieved a strong financial result. The share of defaulted loans at ProCredit Bank Ukraine stands at 3.7%, a remarkably low level given the overall situation in the country. Ecuador also experienced another challenging year. In addition to a severely deteriorating security situation, a prolonged drought and an energy crisis weighed heavily on the economy and households alike. Nevertheless, despite these severe conditions, we have once again achieved a solid financial result of EUR 104.3 million as a group. At 10.2%, our return on equity is within our target corridor – despite the substantial investments in our long-term scaling, another special banking tax levied in Ukraine, and a negative result in Ecuador.

The short- and medium-term prospects for the ProCredit group are extremely promising. We are committed to continuing our growth trajectory and to further scaling our business model to maximise the economic and societal benefits of our unique approach to banking. After all, our mission goes far beyond economic success: We see ourselves as a driving force for positive change, whether it is by promoting MSMEs that drive growth and innovation, by playing a pioneering role as an investor in the region's green transformation, or by providing responsible financial services to retail clients. We are committed to strengthening local communities,

creating jobs, and supporting sustainable economic development. The ongoing integration between Eastern and Western Europe plays a crucial role in this process, as it further bolsters the strategic interest of international financial institutions in our markets. As a German impact bank with a clear mission and vision for South Eastern

We have once again achieved a solid financial result of

EUR 104.3 million as a group.

At 10.2%, our return on equity is within our target corridor.



ProCre



and Eastern Europe, we are therefore well-positioned as a central partner for international efforts towards economic integration and sustainable development. This significantly strengthens our growth prospects. In the medium term, we expect our return on equity to reach 13–14% as a result of the economies of scale that will accompany our growth. We assume a predominantly neutral result contribution from our business in Ukraine, although we see considerable potential, particularly following the end of the war. Our bank in Ukraine has the determination, the right team, and the necessary expertise to play a central role in the country's reconstruction. Thanks to an investment guarantee provided by the Federal Republic of Germany, we increased the bank's Tier 1 capital ratio

We pioneered our new
CO₂ Calculator,
which will serve as the foundation
for our decarbonisation engagement
with customers.

to over 20% in December 2024, thereby creating a solid foundation to immediately expand our activities in this market again as soon as conditions permit. We estimate the additional upside potential from a stabilisation in Ukraine at around 1.5 percentage points for our medium-term return on equity ratio at group level.

In addition to our ambitious economic goals, we are firmly committed to achieving our net zero carbon commitment in line with the Paris Agreement. By 2027, we aim to develop tailored emissions-saving strategies with the borrowers responsible for 28% of our portfolio emissions. In our role as a bank, this provides a strong impetus to promote green financing, which also supports our sustainability strategy. In addition, our customers benefit from these strategies through long-term cost savings, access to funding programmes, improved competitiveness, and reduced risk. In the previous financial year, we pioneered the use of our new CO₂ Calculator, which will serve as the basis for our customers' future emissions targets.

Of course, we are also facing challenges. The economy in Western Europe remains subdued and there is a risk that the positive economic momentum and outlook for our markets will be affected. At the global level, rising protectionism and unilateralism are threatening the post-war international order, a system that has ensured stability and prosperity in Europe for decades. Moreover, the change in direction of environmental policies is

making it increasingly difficult for companies, especially those in the US, to pursue their sustainability goals, impacting global efforts. As a pan-European bank, we are of course directly affected by these developments. Nevertheless, we are convinced that Europe can meet these challenges through deeper political, economic and security cooperation. In this dynamic environment, we will continue to work consistently on implementing our strategy, and we see more opportunities than risks in doing so. We look to the future of the ProCredit group with optimism and determination. On behalf of the entire Management Board, we would like to thank you – our shareholders, partners, clients and employees – for your trust and continued support. Our collaboration with you and your commitment motivate us to pursue our vision of impact-oriented banking with determination.

Frankfurt am Main, March 2025

Hubert Spechtenhauser
on behalf of the Management Board of ProCredit Holding

A PIONEER IN DEVELOPMENT FINANCE



ACADEMY

Opening of the ProCredit academies

GREEN LOANS granted for energy efficiency and renewable energy investments

ENVIRONMENTAL EXCLUSION LIST introduced group-wide in the banks' Code of Conduct



LISTING of ProCredit Holding shares on Frankfurt Stock Exchange and first **ESG RATING**



Network of **EV CHARGING STATIONS** installed



Joined the **NET-ZERO BANKING ALLIANCE**

Joined the **UN GLOBAL COMPACT**

Published **OUR RESPONSE ON FORCED LABOUR ALLEGATIONS** related to photovoltaic panel production in Xinjiang

Report on GHG emissions associated with the loan portfolio, following **PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)**



First **DEI STRATEGY** implemented

Launching of **CO₂ CALCULATOR** for MSME clients

Issuance of **GREEN TIER 2 BONDS** with placement volume of EUR 125m

ORIGIN

ProCredit with IPC: Supporting downscaling of financial institutions in developing countries to provide micro loans to the unbanked

Establishment of ProCredit as a **BANKING GROUP** and consolidation of ownership in ProCredit Holding

FIRST MICRO-FINANCE BANK in Bosnia and Herzegovina founded as a greenfield investment

Founding of **IMI** (now ProCredit Holding)



SME FINANCE Shift of focus from micro lending to "Hausbank" for SMEs

Introduction of a group-wide **ENVIRONMENTAL MANAGEMENT** approach, policy and governance structure

BANKING LICENCE IN GERMANY Implementation of German regulatory standards, supervised by German banking authorities



ProCredit institutions certified under **ISO 14001, EMAS and EDGE**

Introduction of our **PLASTIC STRATEGY**

GREEN BOND placement with the IFC for green investments by SMEs

PROCREDIT DIRECT Digital banking approach for private clients fully implemented

DIRECT

Commissioning of **PROENERGY**, our own 3MWp PV plant in Kosovo

Defining of emission reduction targets in accordance with **SCIENCE BASED TARGETS INITIATIVE (SBTi)**

Conversion from KGaA to **AG**

Introduction of our **INCLUSIVE FINANCE** concept, with a focus on gender equity



SUSTAINABILITY HIGHLIGHTS AND DEVELOPMENTS



Our 2024 sustainability targets

BECOME NET ZERO BY 2050	Reduce own emissions by 42% by 2030 and engage with clients responsible for 28% of CO ₂ emissions by 2027 with 2022 as a starting point	Launching of CO₂ Calculator for MSME companies to support them in measuring their carbon emissions
GREEN LENDING	Ensure continuous growth of green lending portfolio to support our clients' decarbonisation efforts	Issuance of Green Tier 2 Bond with placement volume of EUR 125m with the final aim to further grow green loan portfolio
INCLUSIVE FINANCE	Have specialised products for women-owned and -led MSMEs in at least 7 banks by 2030	First Diversity, Equity and Inclusion Strategy implemented, targeting employees, clients and suppliers and communities in which we operate

INTERNAL ENVIRONMENTAL INDICATORS

 **61%**
electric and hybrid plug-in cars in vehicle fleet

 **6.9%**
decrease in energy consumption per employee

6 premises certified by EDGE

 **3%**
decrease in indoor water consumption per employee

DECARBONISATION

 **10,143**
total number of green loans

EUR 1,355 m
total green loan portfolio

CO₂ Calculator
rolled out in PCB Bulgaria

 **240.7 ktCO₂eq**
emissions avoided through financed RE projects

BUSINESS LOAN CLIENTS

 total number of business loan clients: **37,690**

 **19.3%**
of clients are from the agriculture sector

 **25.6%**
of loan clients are micro business clients

 **~20%**
of loan clients are women-owned MSMEs

JOBS SUPPORTED THROUGH OUR BUSINESS CLIENTS

 **197,111***
total employment

 **42%**
female employment

 **7%**
youth employment

EMPLOYEES

 **4,689**
total number of employees

 **53%**
female representation in managerial roles

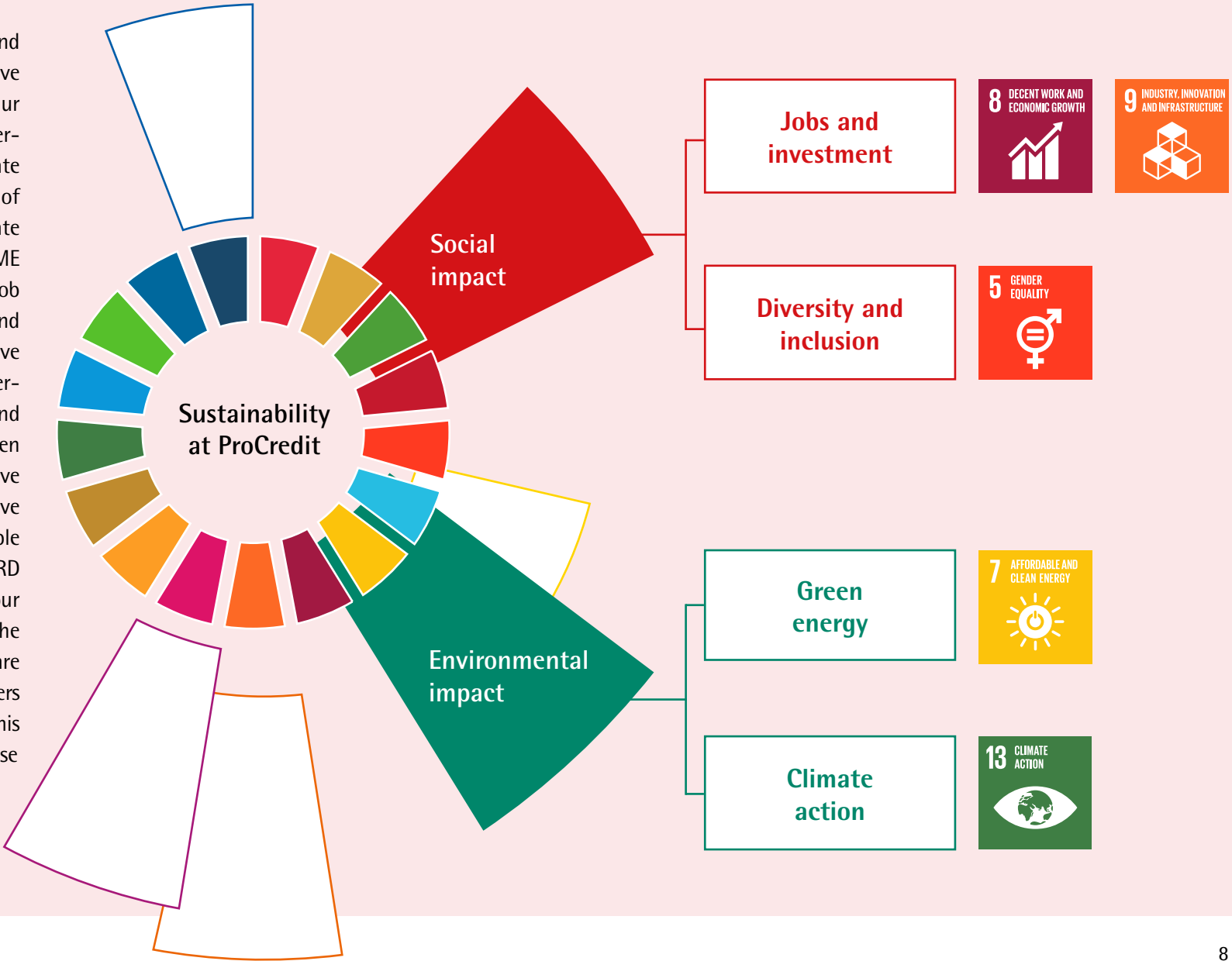
 **124**
hours of training per employee

 **EUR 9.7 m**
annual investment in employee training

OUR APPROACH TO IMPACT



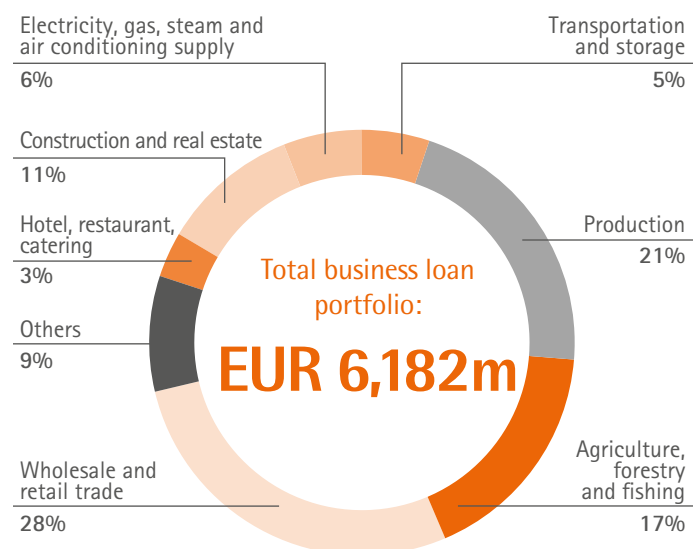
Our impact stems from our portfolio, and through our banks we strive to take positive action and contribute to sustainability. Our main focus areas remain on job creation, diversity and inclusion, green energy, and climate action, which represent the primary sources of socio-environmental impact that we generate in our countries of operation. Our MSME financing activities have contributed to job creation including for youth and women, and through our efforts to promote inclusive finance, we have directed capital to underserved communities in South Eastern and Eastern Europe. Moreover, through our green energy finance and climate action, we drive positive change in otherwise carbon-intensive countries. In 2024, we conducted a double materiality analysis based on the ESRS-CSR requirements, an analysis that revealed four material topics and eleven subtopics for the ProCredit group. The main material topics are business conduct, own workforce, consumers and end-users, and climate change. In this report, we explain our impact through these topics and within our focus areas. More information on each material topic can be found on [page 23](#) of this report and they are further elaborated in our Annual Report.



STRATEGIC PARTNER FOR MSMEs

We are a strategic partner for MSMEs, as we recognise their vital role as the backbone of the economy, particularly through investments in new technologies, tax contributions, and job creation. MSMEs are instrumental in supporting the generation of the middle class, which is needed for social stability and preserving democratic values. By empowering them, we contribute to the creation of a more inclusive and equitable society, where economic opportunities are accessible to all. In total we have nearly 75,000 MSME clients, out of which we provide loans to approximately 38,000 companies.

Our business loan portfolio by sector (%)



Our role of financial intermediary is particularly important, as we provide tailor-made services to our business clients, ranging from digital banking channels, savings options, international payments, and documentary business to responsible lending.

We employ a rigorous and responsible credit risk assessment process to safeguard the interests of both our clients and our bank. By leveraging our internal know-how and data-driven insights, we can accurately evaluate the creditworthiness of clients, as well as their environmental and social impacts on society, and tailor our lending solutions to meet their specific needs. This supports our goal of avoiding overindebtedness among our clients and strengthens their confidence, giving them the long-term vision to pursue their business goals with assurance.

This is particularly important for the productive sectors, such as agriculture, manufacturing, energy production and construction, which account for nearly 55% of our total loan portfolio.



ProCredit Connect: Regional B2B Summit in Sarajevo

The main purpose of the summit, hosted by the ProCredit Bank Bosnia and Herzegovina, was to facilitate networking for our clients and promote regional economic development. It brought together over 500 participants in more than 700 B2B meetings, enabling businesses to gain insights from their peers and industry leaders, enhance cooperation, and expand their market reach through connections with new buyers and suppliers.

One of the cornerstones of our strategy is to support MSMEs in capital formation by investing in technology and innovation. Access to cutting-edge technology and innovative solutions is essential for MSMEs to remain competitive and achieve sustainable growth. By providing tailored financial products and services, we enable these enterprises to invest in the latest technologies, enhance their operational and energy efficiency, improve the quality of their products and services, and expand their market reach. Our efforts have resulted in 62% of our business loans being dedicated to investments in technology

and innovation. This not only empowers MSMEs to thrive in an innovative and clean economy, but also fosters a culture of continuous improvement and adaptability.

Additionally, around 25% of these loans are related to green investments, demonstrating our commitment to the decarbonisation of our countries of operation.

In order to support our clients further in their development, we partner with relevant international, regional and local business associations, which promotes innovation and cooperation in the region.



Our business loan portfolio by loan purpose




70
initiatives,
memberships or
associations joined
at group level

Furisto, client of ProCredit Bank Bulgaria

Furisto specialises in the production of food made from organic certified ingredients for babies and children aged 1 to 6 years. The company provides various subscription plans and a daily menu, and services include online ordering, with deliveries handled by its own fleet of vehicles. Furisto continuously reinvests in its operations by upgrading production equipment; as its primary bank, ProCredit has supported the company's green investments.

INCLUSIVE FINANCE AT THE CORE OF OUR BUSINESS

We provide inclusive banking services that empower diverse client groups and drive economic growth in the regions we serve. By supporting underserved communities, we forge long-lasting relationships with them and lay the foundation for their economic growth.

In markets grappling with high levels of economic informality, our engagement and support in the formalisation of MSMEs plays a crucial role in creating formal employment. This not only enhances job standards but also fosters expertise and contributes to the development of local labour markets. Through our loan portfolio, we have supported the creation of nearly 200,000 jobs.



Our business
clients created

197,111*
jobs in 2024

and contributed

EUR 763.6m*
through taxes



Micro Enterprises

25.6% of our loan clients are micro enterprises, reflecting our commitment to supporting this vital segment through our relationship banking approach.



Young Entrepreneurs and Startups

Our support entails tailor-made offers and goes beyond financial services, including co-working spaces, networking opportunities, and educational programmes.



Agricultural Clients in Rural Areas

These clients often encounter inadequate financial offers due to the seasonality of their business cycles and exposure to climate risks. We strive to tailor our services to meet their unique needs and support their growth with expert advice. Currently, 19.3% of our loan clients are engaged in the agricultural sector.



Women Entrepreneurs

Women-led enterprises face limited access to financial services due to various social and economic barriers. We are dedicated to adapting our services to support the growth and success of women entrepreneurs: 20% of our 2024 disbursements were allocated to women.

ProCredit Bank Ukraine offers loans to businesses in critical sectors such as agriculture, manufacturing and energy security. These loans might contain incentives and target vulnerable groups, including companies contributing to the reintegration of veterans, as well as those aiding veterans and their families, internally displaced people, people with disabilities, and women- and youth-led businesses.



PARTNERSHIP WITH CLIENTS

We understand the challenges our business clients face in their enterprises and strive to design non-financial services that enhance their resilience and foster growth. This dual approach strengthens our long-lasting relationships and reinforces our “Hausbank” concept.

Our non-financial support includes mentoring and educational programmes with prominent regional experts, co-working spaces for young entrepreneurs, networking opportunities, and the promotion of local and regional cooperation.

Additionally, we organise workshops and seminars tailored to the specific needs of different client groups, including private clients. These events cover a wide range of topics, from financial literacy and business management to digital transformation and innovation. By equipping our clients with the knowledge and skills they need to thrive, we help them navigate challenges and seize new opportunities.

ProCredit Bank North Macedonia, in collaboration with the EBRD, offered workshops to its clients on the topics of effective leadership and design thinking (aimed at youth in business), as well as on effective pricing and how to adjust the prices of products and services (aimed at women-led businesses), delivering a total of 320 hours of training in 2024.

ProCredit Bank Serbia took part in the Financial Literacy Programme through interactive workshops in different schools across Serbia. More than 1,500 students from 51 urban and rural schools have benefited from the programme, gaining practical knowledge on budgeting, risk recognition, investment principles and the use of digital financial tools, and the protection of finances in digital environments, among other topics, preparing them to make informed financial decisions in the future.

ProCredit Bank Romania, in partnership with Amazag and EFSE (European Fund for Southeast Europe), organised the Sustenagora Academy, a programme dedicated to supporting agricultural clients in their transition to conservative and regenerative agriculture. Farmers benefit from open discussions about applied sustainable agriculture practices.

ProCredit Bank Albania regularly collaborates with the University of Tirana and the Faculty of Economics, participating in open lectures on the topics of sustainability and green finance. Through real cases, the bank helps students to gain a deeper understanding of the local and international markets.



6,545
hours invested in
financial education of
our clients



FOSTERING SOCIETAL DEVELOPMENT



more than
1,200
graduates from the
ProCredit Academy
programmes

ProCredit Bank Kosovo collaborates with the organisation SOS Children's Village and in 2024 offered a six-month paid internship programme to two SOS-supported individuals. The aim of this internship was to facilitate their social integration and independence.

Responsible banking, the primary principle around which we build our capacity, can only be successful through employee training and development.

Our employees start their career with the ProCredit Onboarding Programme, which incorporates the topics of ethics, financial knowledge, banking and sustainability, as well as on-the-job training.

After successful completion of the programme, our staff can participate in advanced training courses in the two-tier academy system of our training centre in Germany. The ProCredit Academy has educated more than 1,200 graduates from 2006 until the end of 2024. The training is based on the Academy's own curricula, including economics, business planning, risk management, communication and leadership skills, philosophy, anthropology and history, as well as sustainability. The Banker Academy aims to foster the professional development of highly motivated employees, and based on their performance there, our staff can be admitted to the Management Academy for further career development.

Every year, we dedicate significant resources to training to achieve a high level of performance and strong ethical practices in our work. In 2024, we invested more than

EUR 9.7 million in training our employees. The courses are carried out on the group level, ranging from ethical practices and diversity, equity and inclusion – delivered through our Code of Conduct training – to risk awareness and environmental topics.

Our measure of success in developing our staff cannot exclude the wider impact we have on our communities, where we strive to engage our employees in environmental and social actions, thereby building sensitivity towards sustainable development in our countries of operation.

Code of Conduct	Risk awareness	Environmental topics
3,470 employees trained	4,532 employees trained	2,455 employees trained
28,535 total hours of training	13,492 total hours of training	20,116 total hours of training

OUR DIVERSITY, EQUITY AND INCLUSION STRATEGY



In 2023, we introduced our first Gender Action Plan (GAP), the foundational framework for our broader gender equity approach, which guided us in understanding our starting point and identified the challenges and opportunities we face as a company.

We prioritised the improvement of our internal data infrastructure to ensure precision and reliability. Recognising the importance of accurate and comprehensive data, we began developing IT solutions in 2024 to enhance internal data quality. Adapting our approach to the specific conditions of each market is crucial, and outcomes from studies in several of our countries of operation have supported the development of a tailor-made offer for women in business.

Building on the insights gained from our GAP, we issued our first Diversity, Equity and Inclusion (DEI) Strategy in 2024. This strategy widens the scope of our engagement, addressing internal diversity and diversity in our supply chain and communities.

We have also strengthened our partnerships by joining the Financial Alliance for Women and continuing our relationship with 2X Global. These commitments enable us to advance gender finance by collaborating with peers and adopting best industry practices. Moreover, they unlock potential resources that support our mission to promote gender equity.

4 dimensions of diversity, equity and inclusion

Employees:

Diversity, equity and inclusion for employees

Clients & Suppliers:

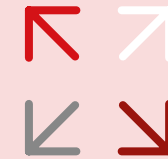
Diversity, equity and inclusion among clients and suppliers

Data:

Transparent and accurate data as a basis for better decision-making

Communities:

Advocacy and engagement and contribution to policy and regulation



**FINANCIAL
ALLIANCE
FOR
WOMEN**

completed

in progress

Action
plan

Clearly defined
governance structure

Awareness training

Data collection and
market research

Gender strategy

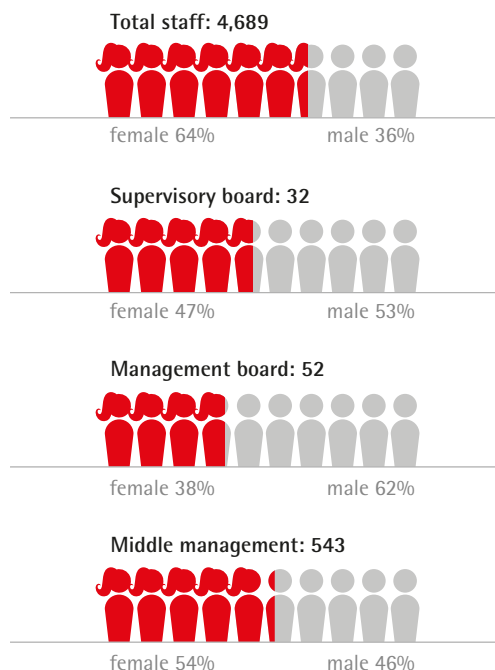
Women empowerment
programme roll-out

CREATING AN INCLUSIVE CULTURE

Our inclusive processes, which include transparent recruitment, a fair remuneration structure, performance management, and access to training and development, have enabled us to achieve a well-balanced gender structure within our company. Notably, over 38% of our top management positions are held by women.

To further reinforce this commitment, we invest significantly in training programmes aimed at ensuring that participants:

- Understand how gender relates to the values outlined in our Code of Conduct, policies, and procedures.
- Recognise the structural and social barriers and challenges women face that impact their career and business growth opportunities.
- Actively and mindfully contribute to equality practices within the workplace and towards our clients.



In 2024 there were three main components of gender training:

- Annual session for all staff, including a training-of-trainers activity.
- Two- and five-day training events for participants of our Banker and Management Academies.
- Investing in women's businesses and building the business case for a more diverse organisation.



ProCredit Bank Serbia has been recognised as a Family Friendly Enterprise for its internal initiatives supporting staff. The bank offers a variety of benefits, including a day off for parents of first graders, baby vouchers for new parents, and summer jobs for students on break.



ProCredit Bank Ecuador has developed programmes to promote women empowerment and prevent gender-based violence among its employees and its clients. In 2024, the bank obtained the Safe Company Seal, a benchmark recognising the bank as a safe company free of violence and discrimination against women.

Outline of 2024 gender training

Challenges for women in our countries of operation through examples and the game of "Unequalopolis"

Women's social struggles: a glimpse into Western society via a contemporary book analysis

Analysing impacts and strategising how to break barriers



154

annual training
sessions held



3,509

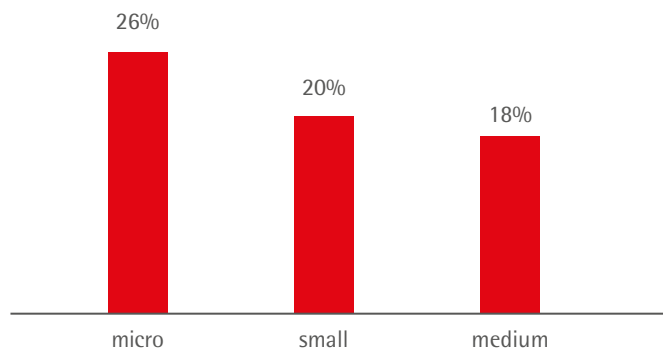
employees
trained

GENDER EQUITY AS AN INVESTMENT PRINCIPLE

In line with our commitment to expanding financial access for underserved groups, our banks have launched several initiatives aimed at creating more business opportunities for women entrepreneurs. These programmes integrate both financial and non-financial services and are often developed in collaboration with partners to maximise their impact.

- Our financial offers include specialised account packages and loans designed to help women overcome socio-economic barriers, such as unique collateral or maturity requirements.
- Our non-financial services focus on empowering our clients through training, mentorship, and networking opportunities, enabling them to thrive and grow their businesses.

Proportion of MSMEs with at least 50% female ownership in our 2024 business loan disbursements

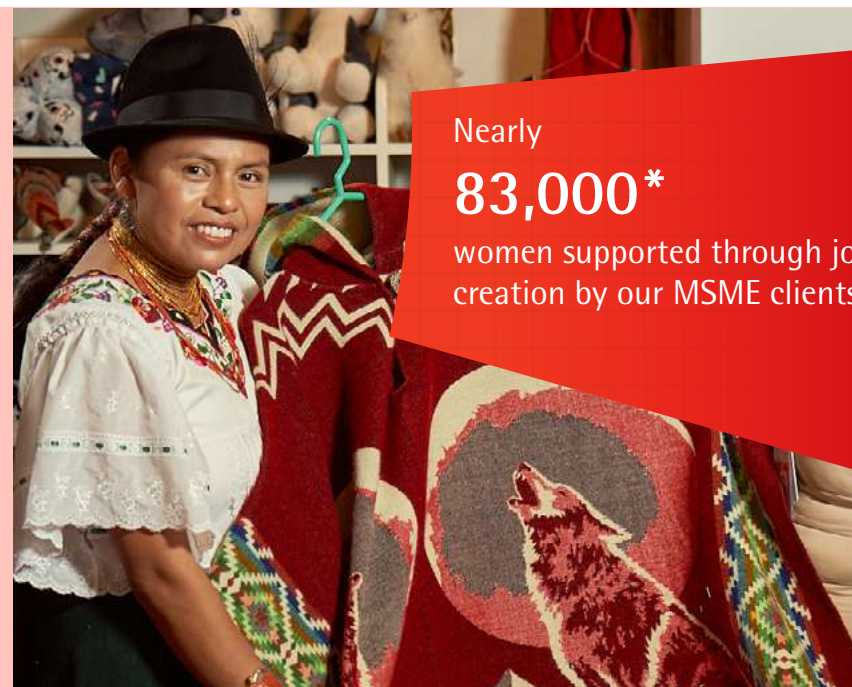


ProCredit Bank Georgia, together with the UN Women and the Taso Foundation, initiated the "Empower Her" project, which aims to economically empower rural women. Through this initiative, 80 participants were selected in 2024. Participants will have the opportunity to gain the skills and knowledge necessary to pursue self-employment, supported by specialised business training and mentorship programmes. They will also have the chance to access grants to start or expand their small businesses.

ProCredit Bank North Macedonia has developed special business packages for women entrepreneurs as part of the Women in Business programme. These packages offer lower collateral requirements, financial education and networking events. All benefits are designed to provide women entrepreneurs with opportunities for growth and equip them with the know-how to make informed financial decisions.

Fabrica de Bizcochos la Casona, client of ProCredit Bank Ecuador

This client leveraged its experience in the trade sector to establish a pastry business. The founders began by producing bizcochos, a yeast-based baked good, and later added a cafeteria and a store that sells traditional clothing from the mountain region, attracting tourists traveling through the area. With investments facilitated by ProCredit Bank, the client grew its business, adding a two-storey building, a parking lot, and spacious service and production areas.



Nearly
83,000*
women supported through job
creation by our MSME clients

Dasta, client of ProCredit Bank Georgia

Located in Tbilisi, Dasta is the first private archive company in Georgia. Founded in 2014, Dasta has stored documents for over 100 companies, scanned over 100,000,000 pages, and confidentially shredded and recycled over 65 tonnes of paper.

The company has 50 employees and is one of our "Hausbank" clients that benefited from a guarantee scheme, allowing it to expand its storage capacity. Following the initial investment, the company carried out its latest green project by installing solar panels with financing from ProCredit Bank – marking an important step towards sustainability.



The share of
our green loan
portfolio in 2024 was
19.3%

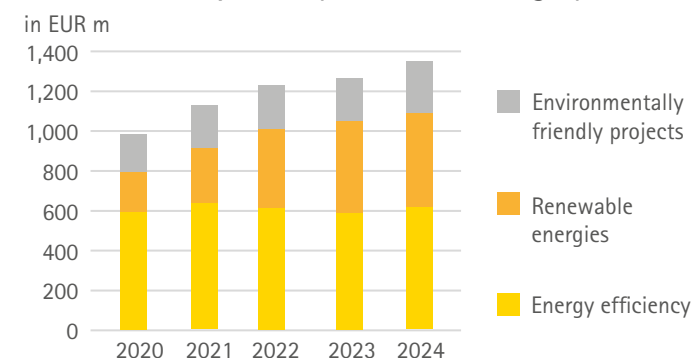
Our green loan portfolio totals EUR 1,355 million and consists of investments in energy efficiency, renewable energy, and other environmentally friendly technologies.

Energy efficiency loans represent 47% of our green loans. They are the cornerstone of our clients' innovative investments and lead to environmental and economic benefits. Investments in renewable energy represent a crucial component of our own and our customers' decarbonisation path. Through these investments, we contribute to climate change mitigation and sustainable economic development in our countries of operation.

Our green loan portfolio growth is further supported with green bonds. In 2019 the first such instrument was issued under our Green Bond Framework, and in April 2024 ProCredit successfully placed a EUR 125 million Green Tier 2 subordinated bond.

ProCredit Bank Moldova is capitalising on its partnerships with international financial institutions to enhance support for green investments in the country. Notably, the bank collaborates with the EBRD to facilitate access to energy efficiency and clean energy solutions. This initiative is particularly crucial as the local market is increasingly transitioning to clean energy and expanding its renewable energy capacity.

Green LP development by investment category

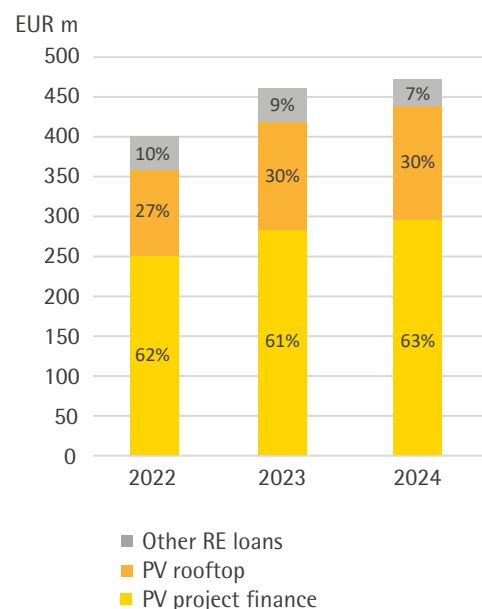


Green investment categories		
Environmentally friendly projects	Renewable energy	Energy efficiency
- Waste management - Environmental services - Sustainable suppliers - Organic farming and certified production	- Photovoltaic systems - Hydropower plants - Wind power systems - Geothermal systems - Biomass plants	- Production machinery and equipment - Green buildings - Heating and cooling equipment - LED or other efficient lighting systems

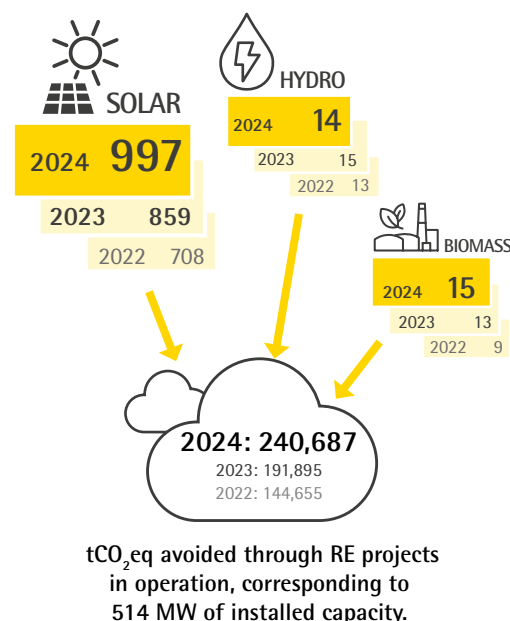
In an era of volatile energy prices and increasing regulatory pressure for clean energy sources, our renewable energy portfolio responds to the market demand. Specifically, many countries in South Eastern and Eastern Europe are still heavily reliant on fossil fuels for their energy needs, and clients are looking for ways to both lower their carbon footprint and reduce their energy costs.

We are an important provider of financing for renewable energy projects, with a special focus on an often-neglected segment of solar projects, with the typical size of projects financed ranging from 1 to 2 MWp. In 2024, we passed the milestone of 1 GWp of installed capacity, including two significant wind projects, which are still not commissioned at the time of this report and therefore not included in the chart below.

Renewable energy loan portfolio



Installed capacity of financed RE projects (in MWp)



PPT doo, client of ProCredit Bank Bosnia and Herzegovina

PPT doo Tomislavgrad produces pellets from forest biomass, sawn timber, and hydraulic hoses, and also offers turning services. Observing the volatility of the energy market, the company decided to invest in its own solar power plant with an installed capacity of 220 kW.

95% of the energy used during daytime consumption comes from renewable sources, allowing the company to contribute to reduced CO₂ emissions by as much as 214 tonnes per year. The company not only enjoys a stable energy source but also cost savings, which in turn helps keep the price of the final product – in this case pellets – affordable.

The client has worked with ProCredit Bank for more than 10 years, and we have supported the company in its project of building the solar power plant.

OUR DECARBONISATION PATH



2015: We created a system to collect, assess and disclose internal emissions.

2018: We set the target to achieve carbon neutrality in our own operations and a 20% green portfolio by the end of 2023.

2020: We assessed the effect of physical climate risks in the agricultural sector.

2021:
We calculated and reported our portfolio emissions following the Partnership for Carbon Accounting Financials (PCAF) standard.

2022: We conducted a physical and transition risk assessment of the group portfolio. Also, we joined the Net-Zero Banking Alliance (NZBA).

2023:
We inaugurated our own 3 MWp photovoltaic park in Kosovo.

2024:
We developed our Group Climate Transition Plan.

We introduced the CO₂ Calculator, a tool designed to engage with clients and facilitate the measurement of their emissions.

2050
Target: Net zero

Our **Group Climate Transition Plan**, based on our Climate Action Strategy, focuses on:

- 🌿 **Building a climate resilient portfolio** by integrating climate risk into our risk management, identifying climate risk clusters in our portfolio, and providing constant support to our clients, which enables us to maintain the quality and resilience of our loan portfolio.
- 🌿 **Reaching net zero by 2050** with near-term targets validated by the Science Based Targets initiative (SBTi).

To support the implementation of this plan, we leverage on:

- **Engagement:** We provide annual sustainability training for all our employees, apply our Group Guidelines on Sustainable Procurement, and engage with our clients on their net zero target-setting.
- **Memberships:** We are involved in initiatives such as Net Zero Banking Alliance (NZBA), Partnership for Carbon Accounting Financials (PCAF), and the Science Based Targets initiative (SBTi), among many others.

Climate Risks

Risk Identification: Our 2024 ESG risk materiality in the risk inventory process and double materiality analyses under ESRS identified a material but also limited impact of ESG risk drivers on operational and client credit risk, including physical and transitional risks.

Risk Integration: We annually assess climate change scenarios for physical and transition risks, and we integrate climate risk into stress testing to simulate impacts across the economic sectors and regions where we operate.

Risk Monitoring: We established group-wide ESG key risk indicators (KRIs), through which we measure and monitor the impact of ESG risks as drivers of credit risk.

Net zero by 2050

Actions planned in our targets

Current status

Scope 1 (internal)

Increase share of electric vehicles

Electric vehicles increased by more than 8%

Scope 2 (internal)

Increase usage of clean electricity

Electricity from renewables increased by more than 10%

Scope 3* (external)

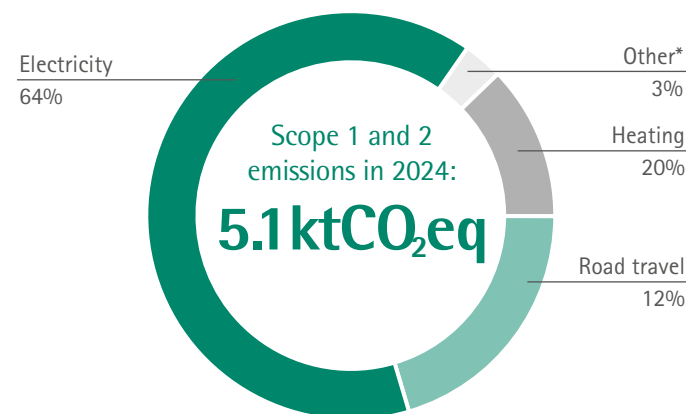
Support clients to set targets with SBTi and finance their transition

Development of CO₂ Calculator

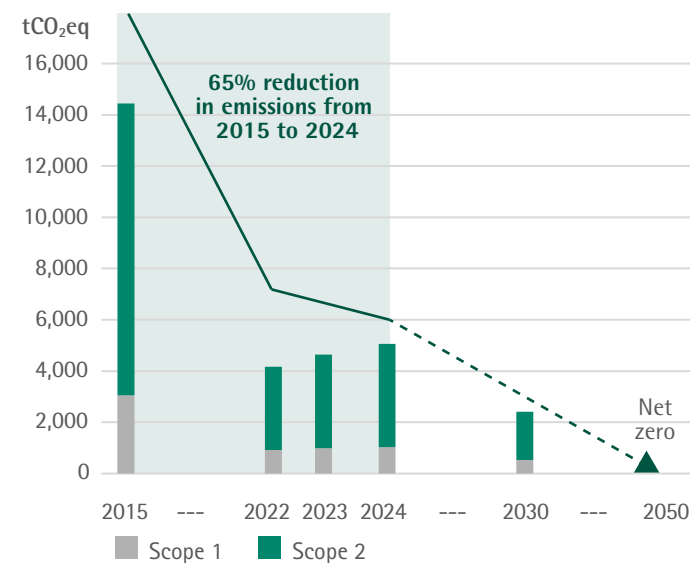


Our target for our own operations remains to reduce Scope 1 and 2 emissions by 42% by 2030, and our decarbonisation measures include:

- Applying environmental criteria when designing or renovating our premises, including energy efficiency measures and renewable energy technologies. The head offices in six ProCredit countries have EDGE certification for green buildings.
- Increasing the share of renewable electricity use by investing in our own photovoltaic systems and clean energy suppliers. In 2024, the installed capacity of our own PVs amounted to 467.1kWp.
- Increasing the share of electric vehicles in our fleet. EVs made up approximately 45% of the total fleet in 2024, which is more than 8% higher than in the previous year.
- Applying environmental criteria in the procurement of office supplies, including in the purchase of office equipment, in line with our Sustainable Procurement Guideline.



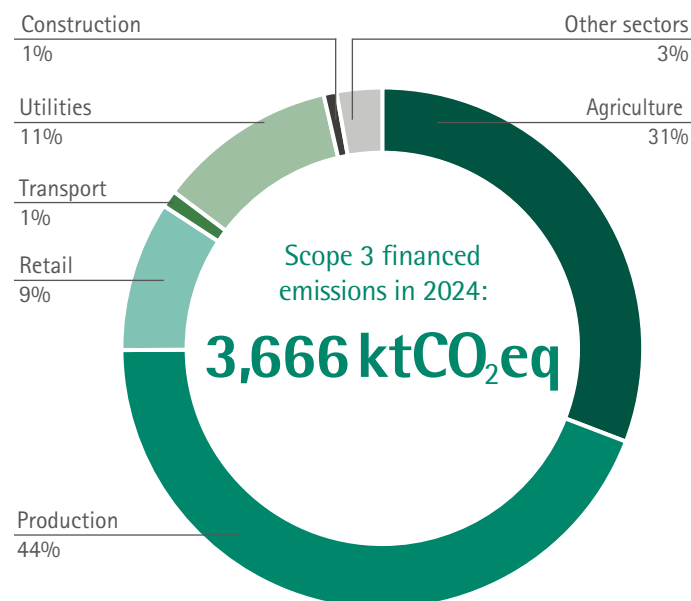
Emissions and targets of internal operations (Scope 1 & 2)





As a financial institution, our main impact on climate change comes from our financed portfolio. Therefore, our decarbonisation path includes our clients, particularly those from the MSME segment, who are less equipped with the tools and resources to mitigate their impact.

Scope 3 financed emissions on Business Loan Portfolio



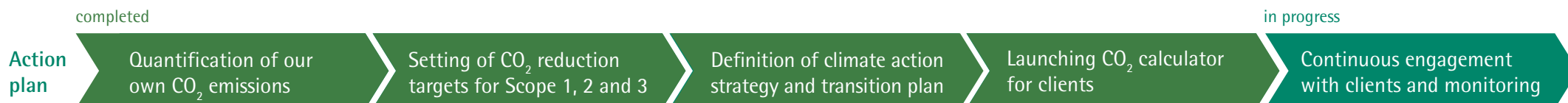
Our Transition Plan outlines the steps to support our clients, starting with engaging with those responsible for 28% of portfolio emissions to set science-based targets by 2027. To achieve this, we equip our clients with the necessary tools and encourage transparent reporting while monitoring their progress. In 2024, we developed the CO₂ Calculator, a tool to facilitate the calculation of carbon emissions for our clients, ensuring accurate measurement of their climate impact. The tool will be deployed in all countries of operation in 2025, partially sponsored by the European Fund for Southeast Europe (EFSE).

We support our clients in their efforts to achieve their decarbonisation goals through our green lending, which represents 19.3% of our total loan portfolio, and all financed electricity production must come from renewable sources.



ProCredit Bank Bulgaria offered a series of seminars to its clients on the concept of the ESG framework setting for MSMEs, which in 2024 took place in six different cities in Bulgaria. The bank delivered a total of 600 hours of training on ESG regulations, sustainable business models and sustainable investments, and shared practical steps for reducing a business's carbon footprint. The bank also presented the CO₂ Calculator.

ProCredit Bank Bosnia and Herzegovina, in cooperation with the national Association of Thermal Power Engineers, delivered a total of 320 hours of training in four cities on the topic of the Carbon Border Adjustment Mechanism (CBAM) and the effects on companies in Bosnia and Herzegovina, as well as emission reporting methods and carbon reduction measures. The seminars aimed to support businesses affected by the regulation to ensure regulatory compliance and preserve their competitiveness within the European market.



SDGs AND MATERIAL TOPICS

BUSINESS CONDUCT

CORPORATE CULTURE

Our Code of Conduct forms the basis of our corporate culture and our responsible banking approach. It describes our company's binding values and serves as our ethical compass. The principles of personal integrity, personal commitment, social responsibility, open communication and transparency are to be followed by all our employees, and they extend to our clients and suppliers. To that end, our Exclusion List restricts us from financing certain activities, and the Group Guidelines for Sustainable Procurement underpin our relationship with our suppliers.



PROTECTION OF WHISTLEBLOWERS

We encourage all parties to inform us of any illegal, fraudulent or unethical conduct. We have set up whistleblower systems that can be used to submit reports anonymously. Employees are also encouraged to raise concerns to their direct supervisor, another manager, a member of the Management Board, or ProCredit Holding. The binding Group Whistleblowing Policy regulates how whistleblowing reports are handled in line with the German Whistleblower Protection Act.



POLITICAL ENGAGEMENT

Political engagement is regulated by our Code of Conduct and specified in operating procedures such as the Group Compliance Policy. ProCredit Holding and the individual ProCredit banks do not engage in lobbying activities. Representation of interests vis-à-vis political decision-makers is the task of industry associations. ProCredit Holding is a member of the Association of Foreign Banks in Germany (VAB), and individual ProCredit banks are members of other national banking associations whose positions are publicly available.



OWN WORKFORCE

WORKING CONDITIONS

We ensure that all our employees receive appropriate remuneration in line with applicable benchmarks. We also promote a healthy work-life balance among our employees through initiatives that exceed local standards. Moreover, each ProCredit entity has a separate accident prevention policy which is compliant with the respective local regulations. Lastly, we recognise the right of our employees to join trade unions, to engage in collective bargaining, and to associate freely, and our policies follow international laws, principles and standards on human rights.



EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

We are committed through our Code of Conduct to the fair and equitable treatment of our employees, regardless of their ethnicity, skin colour, gender, language, political or religious beliefs, national origin or culture, marital status, sexual orientation, or disability. We annually invest in staff training to provide employees with equal opportunities for growth, and our salary framework provides for a fair trajectory based on experience and engagement. We also strive to enhance work possibilities for people with disabilities, and the principles of gender equality and inclusion are integral parts of our DEI and HR policies.



OTHER WORK-RELATED RIGHTS

We do not tolerate forced, bonded or compulsory labour, human trafficking, child labour, or other kinds of slavery and servitude within our own operations, those of our clients, or within our supply chain. Our values are detailed in our Code of Conduct, and we adhere to relevant international laws, principles and standards, including the Universal Declaration of Human Rights and the IFC/MIGA Joint Policy Statement on Forced Labour and Harmful Child Labour, among others.



CONSUMERS AND END-USERS

INFORMATION-RELATED IMPACTS FOR CONSUMERS AND/OR END-USERS

ProCredit ensures the prevention, mitigation and remediation of negative impacts on its clients. The ProCredit banks analyse all potential incidents, such as data leaks, business disruptions, product flaws, etc. For each entry, a preventive action is to be defined for future events, while for certain events an escalation to Management is applicable for timely remediation. Moreover, the annual operational risk and information security risk assessments support the identification and prevention of material impacts, where applicable, on clients.



SOCIAL INCLUSION OF CONSUMERS AND/OR END-USERS

ProCredit recognises different vulnerable groups such as financially illiterate individuals, the elderly, and young people, all of whom often face barriers to accessing financial services. To mitigate these challenges, we offer comprehensive financial education and enhance accessibility to financial services through our 24/7 Zones and digital channels. We also provide solutions to women-led MSMEs, including specialised financial services, loans with modified collateral requirements, and differentiated loan terms. ProCredit also aims that all its clients are protected against overindebtedness.



CLIMATE CHANGE

CLIMATE CHANGE ADAPTATION

In accordance with our Transition Plan, we promote awareness among our employees through training, and we conduct climate risk assessments and stress tests. We adapt our business model by incorporating climate risks into our collateral valuation and advising our clients to proceed with insurance against natural hazards. We also monitor local ESG regulations to engage with our clients in a timely manner. Lastly, we steer green loan portfolio growth towards investments with lower emissions that can also enhance our market position, given the demand for sustainable products and services.



CLIMATE CHANGE MITIGATION

Our Climate Action Strategy and Transition Plan are in line with the 1.5°C scenario of the Paris Agreement. Our long-term goal of achieving net zero by 2050 follows the NZBA's guidelines, and our near-term targets have been validated by SBTi. We are committed to a 42% reduction of our Scope 1 and 2 emissions by 2030, which should be achieved by investing in clean energy and electric vehicles, and by engaging with the clients responsible for 28% of our Scope 3 portfolio emissions by 2027. To assist them in setting reduction targets, we developed a CO₂ Calculator.



ENERGY

Our total energy consumption in 2024 was 19,745.4 MWh and included renewable and non-renewable sources. We strive to decouple our operations from non-renewable sources, focusing on increasing the renewable energy supply (including guarantees of origin) and electrifying our vehicle fleet, among other energy-related measures. Moreover, our 3 MWp PV park in Kosovo produced 4,237 MWh during 2024. We also remain committed to continue and even strengthen financing efficiency measures and renewable energy projects. Such green loans account for over 19% of our overall portfolio.



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