



IMPACT BANKING IN PRACTICE

2023 Report

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ABOUT THE IMPACT REPORT 2023

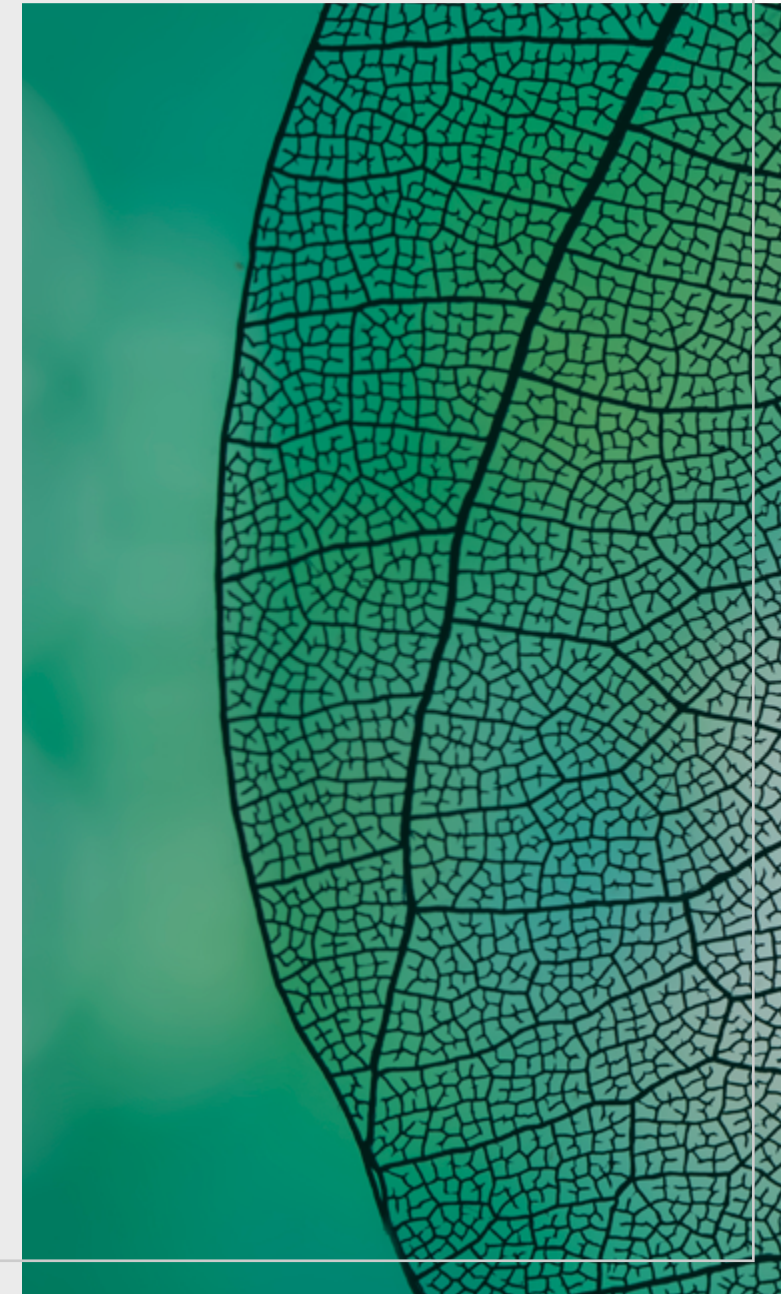
What It Stands For

The ProCredit Bank Georgia Impact Report is a cornerstone of our commitment to transparency, responsibility, and sustainability. This inaugural report marks our first step in providing a comprehensive evaluation of how our business practices contribute to positive environmental, social, and governance (ESG) outcomes. More than a record of achievements, it reflects our proactive efforts in integrating sustainability into every level of our operations, demonstrating our dedication to long-term, responsible growth.

The report provides a detailed account of how we address the most pressing challenges of our time, from climate change and environmental stewardship to social equity and governance transparency. It measures our performance across key ESG dimensions, offering a clear view of how we manage risks, seize opportunities, and implement innovative solutions that benefit not just our clients but the broader community and environment.

As this is our first Impact Report, we acknowledge it as the beginning of an evolving process. We are committed to refining and enhancing future reports, ensuring they continue to meet the highest professional standards and provide deeper insights. With each iteration, we aim to improve our approach and further strengthen our ESG integration, setting new benchmarks for responsible banking.

By sharing this report, we reaffirm our commitment to the highest standards of sustainability and corporate responsibility. We invite our stakeholders to join us in building a more resilient, inclusive, and environmentally sound future. Our unwavering focus on ESG principles continues to guide our business strategy and supports the ongoing transition toward a more sustainable financial system.





MESSAGE FROM THE MANAGEMENT BOARD


At ProCredit Bank Georgia, we have consistently been at the forefront of promoting responsible banking practices, with sustainability, innovation, and accountability at the heart of our operations. Our success in navigating today's rapidly changing landscape is rooted in our steadfast commitment to environmental, social, and governance (ESG) principles, which shape our approach to sustainable growth.

As we look toward the future, we recognize the urgent need to address the challenges of climate change, social inclusion, and responsible governance. Our focus on sustainability empowers us to not only provide forward-thinking banking solutions but also foster a culture of responsibility across all aspects of our institution. We remain committed to reducing our environmental footprint and supporting our clients as they adapt to more sustainable business practices.

In terms of social responsibility, we prioritize financial inclusion, empowering communities, and promoting equal opportunities within our focus areas. Through our carefully designed programs, we strive to meet societal needs while ensuring long-term financial resilience. This commitment to positive impact is not just part of our strategy—it's ingrained in our DNA as a responsible financial institution.

Our governance framework is built on transparency, integrity, and accountability, ensuring we uphold the highest standards of corporate responsibility. We remain committed to ethical business practices, continuous learning, and innovation to meet our ESG objectives. By investing in our people, reinforcing our governance structure, and ensuring sustainable financial growth, we are laying the foundation for a future that benefits not just our clients but also the communities and environment we serve.

We believe that each action we take moves us closer to a future where finance supports not only economic growth but also the well-being of society and the planet. Our commitment to sustainability will continue to guide our strategy, enabling us to deliver lasting value for our stakeholders and contribute to a more sustainable and inclusive future.



Alex Matua
General Director





WHO WE ARE

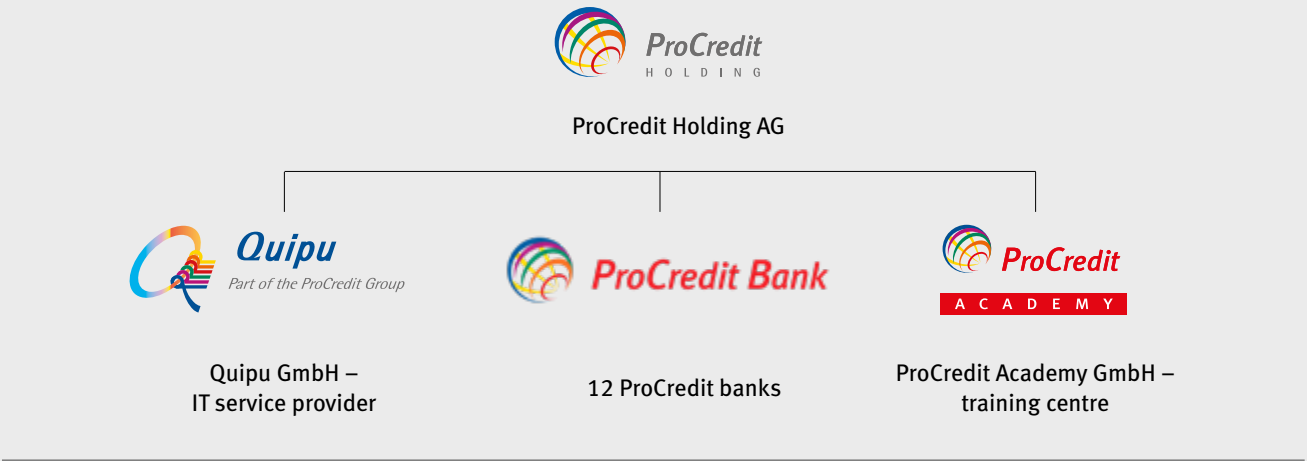
About ProCredit

ProCredit Bank Georgia is part of the international ProCredit group, a development-oriented group of banks headquartered in Frankfurt am Main, Germany. The group operates primarily in Eastern and Southeastern Europe, as well as in Germany. Our banks focus on providing high-quality banking services to small and medium-sized enterprises (SMEs) and private individuals who prefer digital banking and appreciate sustainable banking practices.

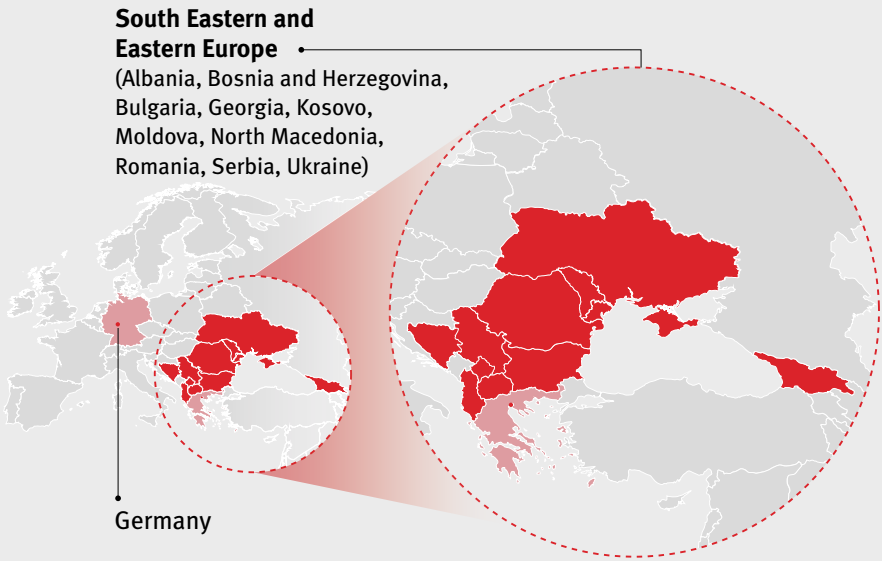
ProCredit Bank Georgia has been serving the Georgian market since 1999, with the primary goal of financing SMEs, as we believe these businesses play a crucial role in job creation and economic development. In addition to SME financing, we offer modern, digital banking services to private individuals who value efficiency and transparency.

Our approach is built on strong ethical principles, with a commitment to minimizing our ecological footprint and promoting long-term sustainability. As the first bank in Georgia to achieve ISO 14001 certification, we have implemented comprehensive environmental management systems to ensure that our operations are both socially responsible and environmentally sound.

Structure of the ProCredit group



Our countries of operation in Europe



Mission Statement

We strive to be the leading SME bank in our markets, following sustainable and impact-oriented banking practices. In doing so, we aim to generate long-term sustainable returns and create a positive impact in the economies and societies where we work.

Vision

Our vision is to set new standards for responsible and sustainable banking in Georgia and the broader region. By focusing on long-term value creation and maintaining our commitment to environmental and social responsibility, we aim to continue being a reliable partner for our clients. We believe that sustainable banking practices benefit both the economy and the communities we serve.

Value-Based Banking

At ProCredit Bank Georgia, we uphold five core values that define our approach to banking and guide our interactions with clients, partners, and communities. These values form the foundation of our commitment to responsible banking and sustainable growth:

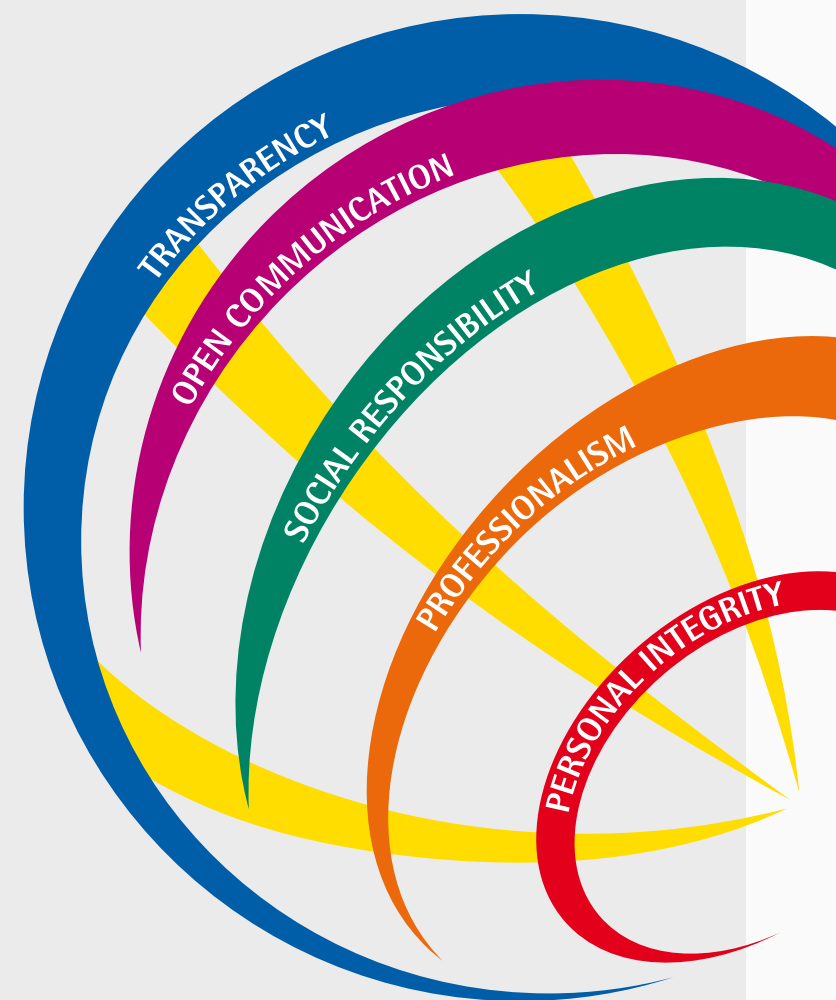
Transparency: We believe in clear, open communication with our employees, clients and stakeholders. Transparency builds trust and allows clients to make informed financial decisions with confidence.

Open Communication: We encourage dialogue at all levels, promoting a collaborative environment where ideas are shared and innovation thrives.

Social Responsibility: Our role as a financial institution extends beyond profit. We are committed to making a positive impact on society through environmentally and socially responsible business practices.

Professionalism: We deliver the highest standards of service with dedication and expertise, continuously striving for excellence in everything we do.

Personal Integrity: Acting with honesty and responsibility is fundamental to our operations. Integrity is the foundation upon which we have built long-standing relationships of trust with our clients and partners.





BUILDING A SUSTAINABLE ORGANIZATION

ABOUT ENVIRONMENTAL MANAGEMENT

We continuously analyse and monitor the impacts resulting from our activities to minimise our environmental footprint.

Promoting sustainable development entails figuring out how to meet the current demand of society without compromising the needs of future generations. At ProCredit we are acutely aware of the climate change risks our planet faces and of the role that banks can play in either mitigating or exacerbating these risks. Essentially, it is a matter of taking an approach that incorporates systematic efforts to reduce environmental harm instead of prioritizing short-term profit over long-term impact. We chose the first path long ago and have always placed environmental and climate risk mitigation at the centre of our business model.

ProCredit Bank operates in accordance with a comprehensive three pillar environmental management system (EMS) developed by ProCredit Holding. Pillar 1 concerns minimizing our ecological footprint by addressing our internal environmental impact; pillar 2 pertains to addressing our external impact by evaluating the environmental and social risks of all business activities that we finance;

and Pillar 3 involves promoting and incentivizing sustainable investments and deposits by our clients. Meanwhile we have developed policies, guidelines and standards to measure, assess and improve our sustainability-related indicators to ensure our best performance.

Today, we have an established and comprehensive environmental management system (EMS) that for several years has been continuously granted certification under international best practice standards – ISO 14001:2015.

Environmental management in the ProCredit Group

INTERNAL ENVIRONMENTAL MANAGEMENT

Our internal processes and procedures are designed to systematically reduce our direct environmental footprint. Greening the banks' infrastructure and communicating about environmental issues raises awareness in our institutions and leads to improved resource consumption.



MANAGING THE ENVIRONMENTAL AND SOCIAL RISK OF LENDING

We aim to work with businesses whose activities do not harm the environment or endanger the health, safety and well-being of their staff or neighbours. By applying a prudent credit risk approach, we minimise possible negative impacts of our lending operations on the environment.



GREEN LENDING

We promote green investments and savings in our countries of operation. We support clients who want to improve their business processes in an environmentally sound manner by investing in energy efficiency, renewable energies or environmental protection.



Our Approach to Environmental Management

In order to minimise our environmental footprint, we continuously analyse and monitor the impacts resulting from our activities. We set objectives that are explicitly designed to reduce emissions by improving energy efficiency, promoting renewable energies, and reducing resource consumption. Through our internal environmental management tool (iEMS) we monitor other internal environmental indicators, such as resource consumption and waste production.

The graphic on the bottom, shows our progress on these indicators, and provides examples of internal initiatives that have been particularly successful in reducing our resource consumption and waste. We set an example to companies in our countries of operation by putting green building standards into practice and having our efforts visibly certified. We regularly publicise our environmental achievements both internally and externally with a view to rising awareness among employees and clients alike.

Our Environmental Achievements in 2023



Over **116,000** kWh
of generated electricity, leading to
a reduction of 9.6 tons of CO₂ emissions.



We handed over to the waste management
company for processing
2,472 kg paper.



We collected
31 kg e-waste.



67%
of service and product suppliers
are sustainable.

ENVIRONMENTAL INITIATIVES

- Waste Separation
- Solar Power
- Rainwater Harvesting
- Car Fleet
- Green Account

Our approach to internal environmental management is based on processes and procedures that help us to systematically reduce our direct environmental footprint.

ProCredit Bank Georgia began taking significant measures to make green activities an intrinsic element of its everyday operations and a performance requirement. ProCredit Bank is an innovative and remarkable financial institution that has launched eco-friendly projects, so attempting to reduce the impact of its activities on the environment and awareness raising about environmental issues among businesses and individuals.

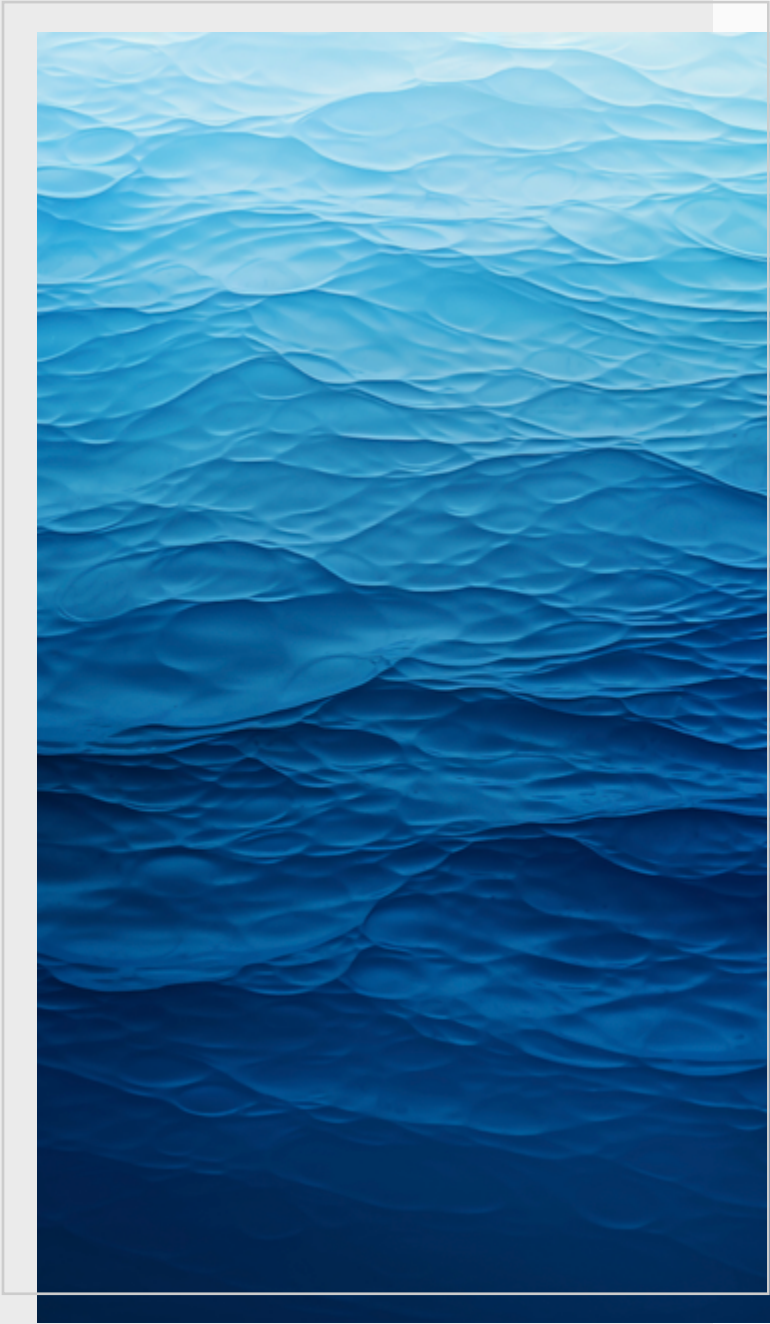
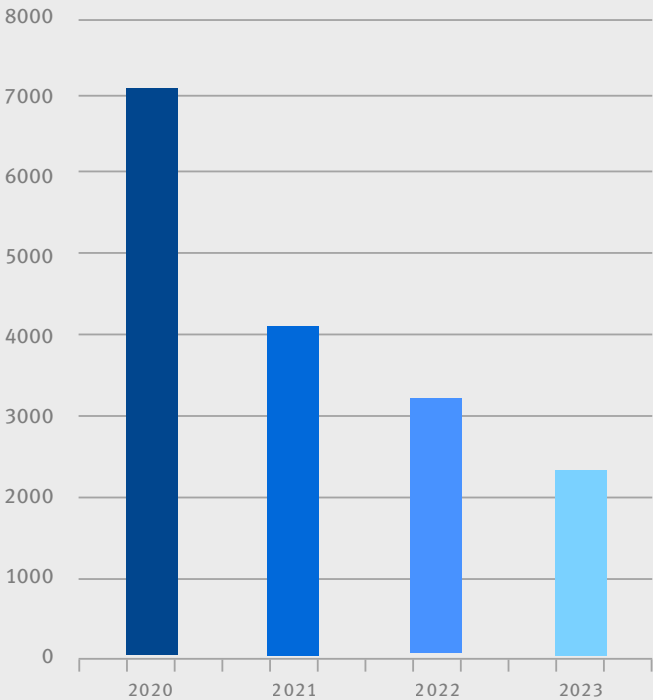
Notable is the fact that ProCredit Bank Georgia devotes special regard to concerns such as refusing to use plastic, encouraging waste separation, minimizing air pollution, utilizing solar energy, and saving water resources.



Water Resource Management

Water consumption is one of the most important aspect of our environmental management system. For years we have been introducing measures to use the least possible amount of water in our head office and other buildings. We considered that Implementing a water harvesting system could be a sustainable way to manage water resources effectively, thus rainwater harvesting project was implemented in 2018. System is designed to collect and store rainwater for technical purposes, helping to conserve water resources and reduce reliance on municipal supplies. In total 10 m³ reservoir was built in the yard of HO and 3 units of 6 m³ water tanks were placed with water filtration system in the underground parking. Also In 2021 we installed water flow measurement sensors on main water pipes to be able to closely monitor consumption and instantly detect any possible leaks. Due to rainy months in first half of 2023, the amount of water by our rainwater collection system has increased, which further decreased our utility water consumption.

Water consumption - Head Office (m3)



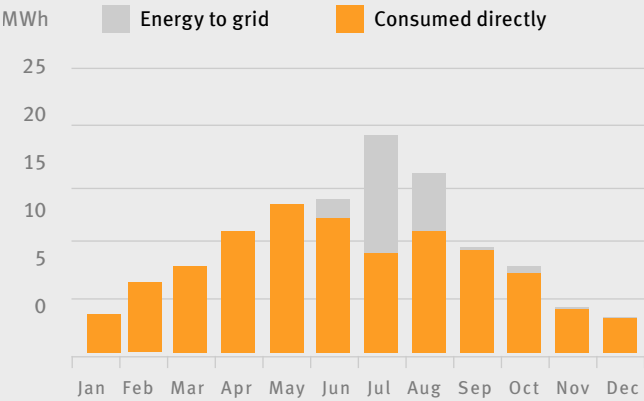
Solar Power Plant Project

ProCredit bank was the first bank in the country, who has started operating its own solar power plant - the system is used to generate electricity for internal use, among them to charge its fleet of electric vehicles.

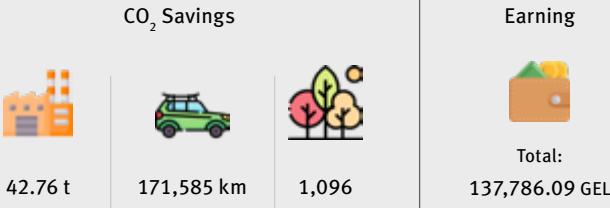
In June 2020, a 500 m² solar panel array with a 100 kWh capacity was installed on the roof of its head office building in the center of Tbilisi at 21 Alexander Kazbegi Avenue. By the end of 2023 the station generated in total more than 427 000 kWh of electricity, avoided emitting 142 tons of CO₂ and replaced 10% of electricity consumption in the head office.

The bank’s contribution to environmental protection, from the solar power plant project, is clearly visible. Data on solar energy generation, reduced emissions and other saved resources is collated in real-time and displayed on a special-purpose screen on the side of the building, thus making the information available to everyone. In future we are considering further replacing our electricity consumption with green electricity generated from renewable energy sources.

ENERGY PRODUCTION FROM SOLAR POWER PLANT

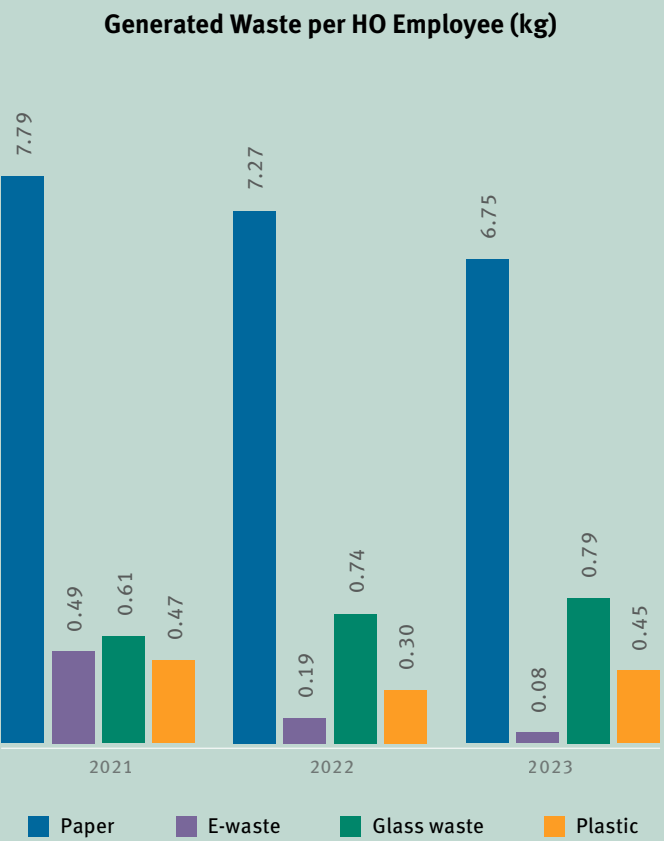


TOTAL SAVINGS FROM PROJECT IMPLEMENTATION



Waste Management

Waste management is an activity that we value due to its positive impact on the environment, especially in Georgia, where the proper waste management is not very common. In 2023, ProCredit Bank handed over to the waste management company for processing 2437 kg paper and cardboard, 31 kg e-waste and 290 kg glass waste.



Working with Green Suppliers

ProCredit Bank recognizes that ethical, social and environmental impacts reside within the supply chain. Moreover, positive impacts can be achieved through purchasing more responsible products or services and working collaboratively with suppliers to positively influence mutual ethical, social and environmental performance. Therefore, it is the goal of the group to favor sustainable procurement procedures and products associated with such. All suppliers are expected to adhere to the core values of the ProCredit group. Therefore, the Code of Conduct sets the basis for any business relationship with a potential supplier. This includes the explicit acknowledgement of our principles and a commitment to comply with them in all aspects of our business interactions.

The suppliers shall follow the core principles:

1. Compliance with the ProCredit Exclusion List
2. Anti-money laundering
3. Corruption and fraud prevention
4. Adherence to human rights
5. Health, safety, security and environment (HSSE)
6. Each of our contractual suppliers should be following applicable environmental and social regulations.

During the procurement processes we are assessing the company's environmental and social responsibility, and we make choices in favor of those companies who is following abovementioned issues and in addition has a right vision towards sustainability.



67%
of service and product suppliers
are sustainable.



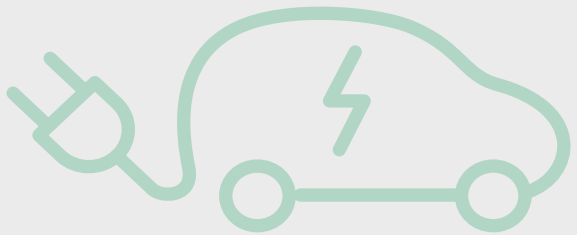
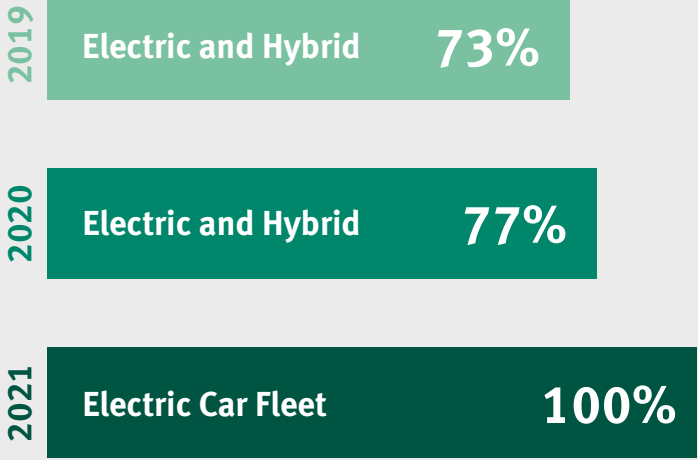
Sustainable Suppliers
For More Positive Impact

Car Fleet

For financial institutions, transportation is often the primary source of carbon emissions. At ProCredit Bank Georgia, we have been committed to reducing the environmental impact of our car fleet by gradually transitioning to electric vehicles (EVs). By the end of 2021, 100% of our fleet was comprised of EVs, and in 2023, we further improved our sustainability efforts by replacing some lower-range EVs with higher-range models, taking significant strides toward carbon neutrality.

To further support this initiative and maximize our positive impact, we introduced a program that allows employees to use the bank’s electric cars during non-working hours and weekends. This initiative not only provides staff with environmentally friendly transport options but also helps reduce the potential emissions from petrol-powered vehicles, reinforcing our commitment to promoting sustainable practices within our organization and beyond.

Electric and Hybrid Vehicle Share (%) of the Total Fleet



Green Account

Since 2022 ProCredit Bank has been offering a unique chance and provides its customers with a one-of-a-kind opportunity: a Green account and a ProGreen Bank Card 82% made from organic materials.

The product is original in both its concept and the range of services it provides it represents a unique chance for individuals who are enthusiastic and who support “Green” efforts and are committed to ecological and environmental sustainability. Moreover, the green account incorporates all major banking products at a flat charge.

A customer who opens a green account will participate in environmental activities planned by the bank, and the service fee will go toward environmental activities for which the bank will allocate significant funds. To promote green investments, the bank will also use green accounts to fund environmentally friendly investments. The bank will provide its customers with regular updates regarding the executed green initiatives.

Within the framework of this concept, ProCredit Bank supported various environmental activities in 2023, such as tree planting, clean-up initiatives, competitions, and other projects focused on environmental sustainability. These initiatives reflect the bank’s continued efforts to contribute to a more sustainable environment while promoting green practices within the community. More detailed information on these activities can be found in the section Our External Impact.

IN 2023, 20% OF THE GREEN ACCOUNT COMMISSION FEE - AMOUNTING TO 20K GEL - WAS ALLOCATED TO SUPPORT ECO-FRIENDLY INITIATIVES.

The image shows a ProCredit Bank debit card with a wooden texture. The card features the Mastercard logo, the word 'debit', and a stylized city skyline with green buildings, trees, and a sun. Below the skyline, there are three small icons labeled 'CO2'. The ProCredit Bank logo and name are at the bottom right. The card is set against a dark blue background with the text 'MakeTheChange' and a green leaf icon. Below the card, the text 'Become The First Eco-Friendly Card Holder' is displayed on a green background.

MakeTheChange

debit

ProCredit Bank

Become The First Eco-Friendly Card Holder

MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISK IN LENDING

We operate in a country that is often characterized by businesses that are at a developing level of enforcement of environmental and social standards. However, ProCredit Bank Georgia has been operating in this environment for the last two decades, and we have developed and implemented robust processes for our lending operations. These are tailored to the risk profile of SME clients, facilitating the successful management of high environmental and social standards.

By issuing a credit facility, the Bank aims to contribute to an improvement in the economic situation of the clients and their families and hence to overall economic development. To ensure that the credit exposures granted by the Bank are used in compliance with our ethical, environmental and social standards, a number of eligibility criteria have been defined. These eligibility criteria set the requirements regarding the business activity of the potential borrower, mitigate the likelihood of money laundering and terrorist financing, and consider the environmental and social impact of the potential borrower.

Despite our inclusive approach and openness towards the many different business models of our clients, there are certain harmful practices and activities that

ProCredit Bank refuses to support. We do not support activities that are incompatible with our ethical values, such as manufacturing or trading in weapons or narcotics, underground mining and the like, even if such activities are legal. Clearly, activities involving forced labour, child labor, involuntary resettlement, prostitution, etc., are also unacceptable. They are summarized in our Exclusion List, which is also part of our Code of Conduct and we do not enter into any business relationships with individuals or companies involved in them.

As a development-oriented commercial group of banks, ProCredit, including PCB Georgia, wants to support the transition to a low-plastic economy, both by reducing the direct usage of plastic (i.e. by changing to sustainable alternatives and increasing recycling) and by reducing the indirect production of plastic by refraining from financing certain plastic-producing clients or activities. For this purpose, the company has developed a guideline - financing clients engaged in plastic related activities.



We have implemented a four-step process for managing the E&S risk lending in line with the credit cycle in which we:

Screen the client's business activities against our Exclusion List.

Use pre-defined list to categorize the client's activities according to the degree of environmental, health and safety risk.

Screen the client's business activities against our Watch List Criteria.

Conduct an on-side individual environmental and social risk assessment.

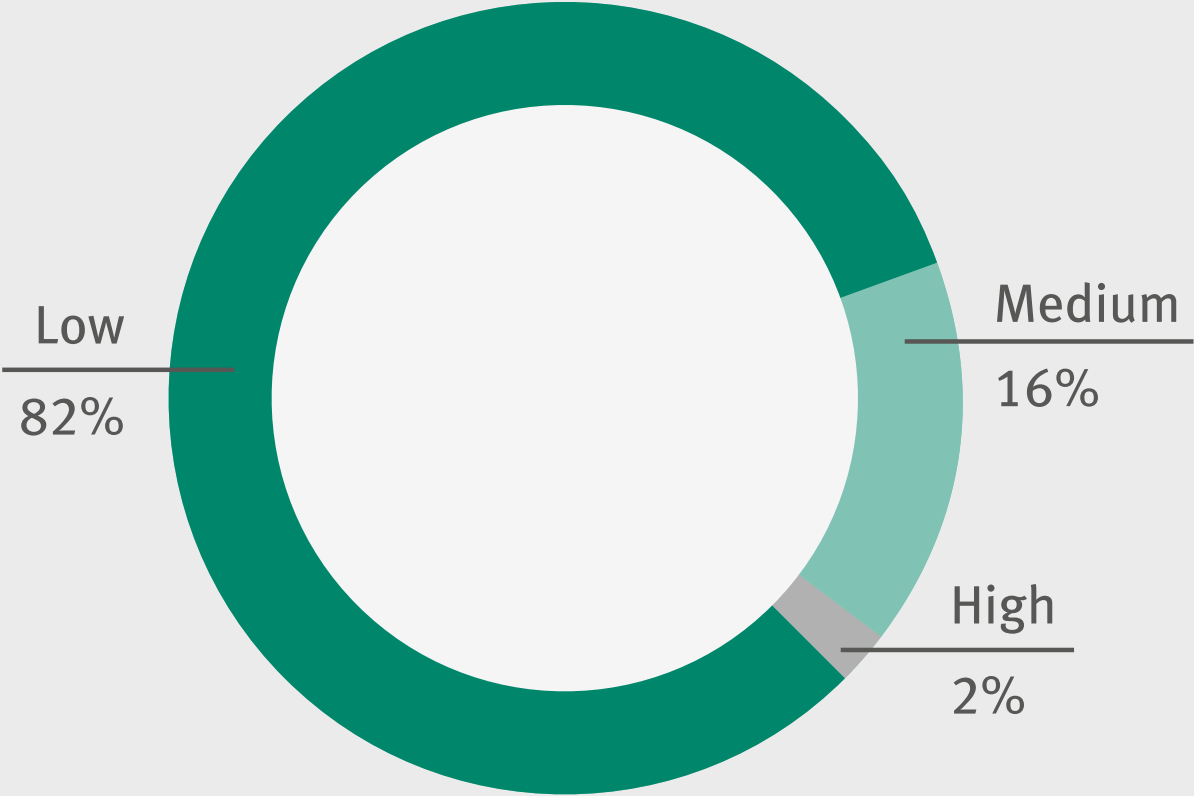
To guide our staff in the analytical process, we have designed an E&S risk categorization system based on international standards that assign individual economic sectors to the high, medium, or low environmental risk category, depending on their potential environmental and social impact. Companies with business activities that fall into the medium- or high-risk categories are subjected to an individual assessment of their performance with regard to environmental, health and safety issues. Considering E&S risks and exposures of the business activity, participation of an external environmental consultant becomes necessary in the evaluation process. An assessment of the social conditions in a company is carried out for all business clients in order to ensure that proper working conditions are in place and that labour and human rights are respected.

For the assessment of environmental risks, bank staff are supported by a sector-specific assessment form and guidance notes which highlight the particular risks for each sector. This allows our staff to better understand the processes and detect any possible issues, at which point they can discuss with the clients the measures to improve the environmental and social performance of the business.

The purpose of this assessment is to make sure that the company’s owners are aware of all environmental, health and safety issues, and that appropriate processes are in place to manage any risks. We foster active discussions with our clients to point out new investment options or changes in common practices that can help them increase their resource efficiency and sustainability. In particular, we look at legal compliance; management of land, waste, water, soil, emissions and hazardous substances; site safety and social integrity. To this end, we interact with all our clients directly and conduct on-site visits to strengthen the relationship.

Generally, we don’t refuse the clients with high ecological and environmental risks on financing; instead, we profoundly analyse their activities in the frame of environmental and social risks, to make sure that the risks are managed and that the risks won’t transmit into real harmful influence on environment and society.

Risk Categorisation of Loan Portfolio in 2023



Plastic Strategy

In 2020 ProCredit Holding introduced the ProCredit plastic strategy to spearhead our efforts to reduce the group’s plastic footprint, both internally and in our loan portfolio. Since then, we have been actively engaging with our clients who manufacture plastic to explain our strategy and encourage them to improve the sustainability of their businesses.

The graph outlines Plastic Strategy in relation to ban’s lending practices to address the environmental impact of plastic. The approach aims to reduce the plastic footprint both internally and in loan portfolio composition, while actively engaging with clients in the plastic manufacturing sector to promote sustainable practices.

The strategy categorizes plastic products into three lists - Blacklist, Greylist, and Whitelist - with distinct lending guidelines for each category.

The ProCredit Plastic Strategy: Lending to plastic procedures

Plastic product categorisation

Blacklist:
All types of plastics that will be banned by EU from July 2021 pursuant to EU Directive 2019/904 (mostly replaceable single-use plastic)

Greylist:
All other types of single-use items that present high environmental impact if not disposed of properly, especially packaging, bottles, foils and also microplastics

Whitelist:
Plastic products with a long lifetime, for which no alternatives exist or the alternatives would have a higher environmental impact

Our respective lending strategy

Blacklist:
No more financing of these companies unless the client has a convincing business plan to phase out the black-listed product within a short period

Greylist:
New clients: No financing
Existing clients: clients are required to follow and continuously improve sustainable practices, i.e. reducing waste by substituting single-use plastic with biodegradable products, or by adopting recycling methods and taking responsibility for collecting their products after use

Whitelist:
Our bank will continue to finance these clients, but will still discuss with them the options for sustainable plastic production and support them in any steps towards sustainability they decide to take

Green Lending

Keeping in mind the environmental problems and high intensity in Georgia, we wish to accelerate the adoption of energy-efficient and renewable energy technologies, as well as to incentivize and support businesses with their environmentally friendly investments. By encouraging our clients to take a green approach to their business, we minimize our indirect environmental impact and contribute to the mitigation and adaptation of climate change.

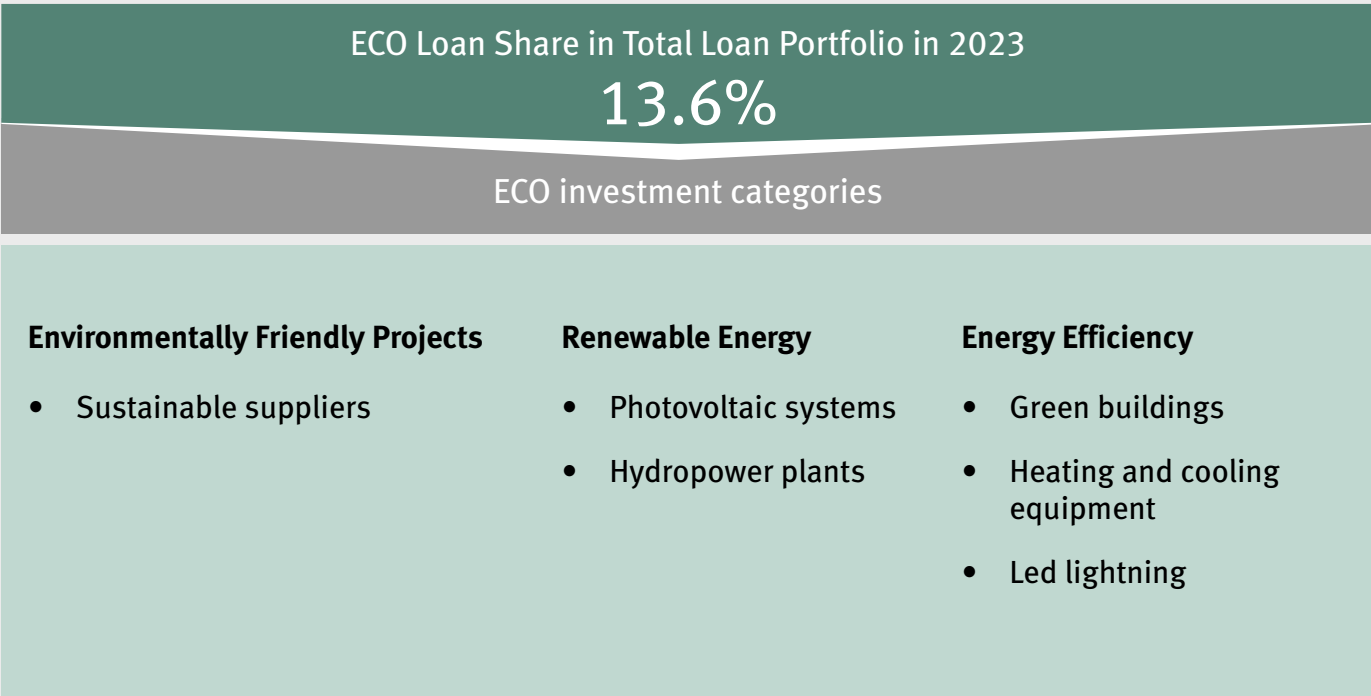
Our green lending methodology divides green investments into three categories:

Energy efficiency (EE) investments that reduce energy usage at least by 20%

Renewable energy (RE) investments into distributed or utility-scale RE generation systems

Other environmentally friendly investments (GR) such as waste management or organic agriculture.

Over the past 12 years, we have granted more than 2300 eco-loans totaling 230 million euros, with a focus on energy efficiency and renewable energy investments.



Sustainability Awareness Programs

General Green training

Courses on environmental and social topics have always formed a key component of our long-term training programmes - the Onboarding programme, the Banker Academy and the Management Academy.

As a development - oriented bank, we continuously strive to promote empowerment knowledge and raise awareness about environmental and social issues among our staff. All our employees receive at least one training session on green topics every year. In 2023 we conducted a block of training sessions, introducing to our employees our sustainability goals and achievements, challenging circumstances and emphasis was done on the role of each individual in environmental protection issues. During the training, we discussed climate change effects and challenges, also 3 pillars of ESG concept was introduced.

Management, environmental, credit risk and business staff also participate in green seminars, which are held twice a year by ProCredit Holding.

Moreover, we provide continuous training for specialist employees on environmental measures, green finance, and management of E&S risks, among other topics.

In addition to our efforts in promoting sustainable practices internally, our commitment to environmental responsibility extends to raising awareness among our clients and the general public. Through general green trainings and various bank-supported initiatives, we actively engage in educating stakeholders about sustainability. These efforts not only help clients make more informed choices but also contribute to broader societal awareness of environmental issues.

bute to broader societal awareness of environmental issues.

The topic is further explored in the section dedicated to our external impact, where we discuss more how these initiatives support our overarching sustainability goals.



PROMOTING GENDER EQUITY

HARMONY AT WORK

Gender Balance

Gender equality and equity is an essential part of creating a fair and inclusive work environment. Our commitment to gender diversity is based on the values and principles set out in our › Code of Conduct and is reflected in the way we work with each other and with our clients.

We do not have quotas or targets; instead, our focus is on the development of individuals, regardless of their gender.

We achieve this through:

- A transparent and inclusive approach to recruitment, defined in our Human Resources Policy.
- A remuneration structure based on fixed salaries with no incentive bonuses, promoting a long-term thinking culture.
- Transparent performance management and long-term career development opportunities.
- Equal access to training and leadership

development through our ProCredit Academy.

- Strong support for all staff to recognise and address unethical behaviour.
- Investigating and processing all indications of violations consistently and without bias.

Total staff: 284



female 67%

male 33%

Middle management: 30



female 50%

male 50%

Management board: 3



female 67%

male 33%



CULTIVATING MINDS

Diversity and Inclusion

Our organisation is committed to promoting gender equality and equity and raising awareness among our colleagues. We believe that unconscious biases can sometimes interfere with the choices we make. We believe that an institution must live the values it wants to promote as an agent of change.

Our goal is to be a fair and equal employer while also contributing to women’s empowerment in Georgia.

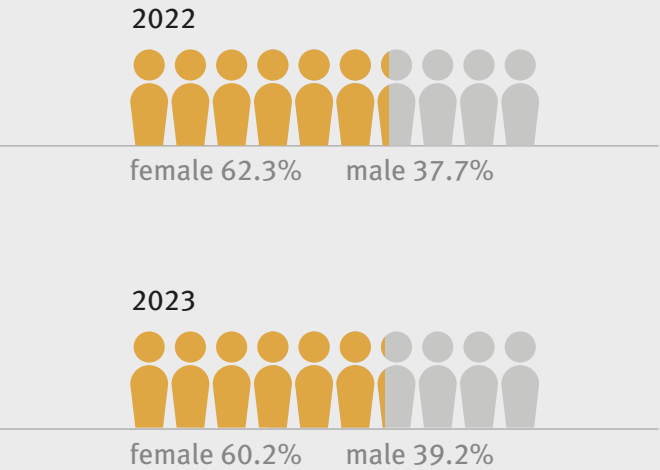
The topic for the company’s code of conduct for this years was gender equality and equity.

100% OF EMPLOYEES TRAINED
ON GENDER EQUALITY AND EQUITY

In line with this commitment, our strategy to attract and retain the right employees focuses on a transparent selection process, fair internal promotion opportunities, and equitable remuneration. Fairness and openness are the key distinguishing features of our recruitment procedures.

Our merit-based approach treats every applicant in the same way, regardless of gender, origin, or connections. We also place great value on a transparent salary structure and consciously refrain from offering short-term, performance-related bonuses.

New Hires by Gender



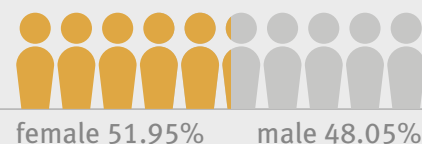
Training and Education for a Sustainable Workforce

We develop staff capacity through comprehensive knowledge and skills training, regular performance reviews and clear career options. Our approach emphasises the importance of investing in ongoing personal and professional development. We support our employees by providing regular opportunities for dialogue and feedback, and by offering continuous training. Our professional development curricula include not only banking skills, but above all courses on humanities, encouraging our staff to reflect on their own values and role in society and to think independently.

ProCredit Academy

Our Academy is not just a training centre, but also a strategic hub where we align our values, ideas, and business model to deliver the best service to our clients, while increasing impact and sustainability. Our comprehensive courses cover a wide range of topics, including history, philosophy, management skills, business and retail banking, digitalisation and AI. In 2023, we introduced a week-long management course on diversity and inclusion for our future decision-makers. By doing so, we hope to remain at the forefront of gender equality and make a positive impact in our communities.

ProCredit Academy Participants and Graduates 2010 – 2023



General Training for All Employees

Training proposed at group level is organised into different categories depending on their objectives and target group:

- Onboarding Programme for newcomers (including direct hires)
- Academy curriculum for selected staff
- Group-wide training for all staff on strategically important topics (for example Green topics or Code of Conduct) or mandatory training (for Information security or AML).
- Job specific training related to specific positions.
- Group-wide training for interested staff in technical aspects (such as Excel or Teams) or team work and management-related skills (e.g. English, project management or time management)

IN 2023, THE TOTAL TRAINING BUDGET AMOUNTED MORE THAN **1.5 MLN GEL**, MAKING UP **25.5%** OF THE OVERALL SALARY AND COMPENSATION BUDGET, WITH **5%** ALLOCATED TO LOCAL TRAININGS AND **95%** DEDICATED TO INTERNATIONAL TRAINING PROGRAMS.



IN 2023, **44,734 HOURS** OF TRAINING WERE PROVIDED TO COLLEAGUES, WHICH REPRESENTS ON AVERAGE 20 DAYS OF TRAINING PER EMPLOYEE IN A YEAR.

INTERNAL BENEFITS FOR CREATING A HEALTHY AND MOTIVATING WORKING ENVIRONMENT

The working environment plays a crucial role in integrating newcomers, building teams, fostering team work as well as creating and ultimately ensuring that staff actively engage with the bank for the longer term. The working environment, as experienced by the staff, should also be commensurate with the bank's corporate values and the reality of their implementation in each team's daily routine as well as with the way the colleagues interact with clients, suppliers, partners, regulators and stakeholders. We aim to create and maintain a consistent, highly professional, open and stimulating working environment for all staff across the company.

To cultivate a healthy and motivating workplace, it is crucial to have open dialogue and constructive communication. ProCredit Bank Georgia embraces this principle with a long history of fostering a transparent feedback culture. This is achieved through a well-defined two-layer mechanism that allows all employees to discuss their development with their supervisors and, separately, with members of senior management. This staff assessment system

is important in establishing trust between employees and their supervisors, ensuring that expectations are aligned, and guiding the institution towards its full potential. This feedback culture recognizes opportunities for further development.

The senior managers and middle managers play a key role in organising the working environment and setting the tone of working together. The key elements of the working environment within the group include first and foremost a relatively flat hierarchy within institutions, combined with small teams of responsible employees with clear job descriptions and responsibilities

Second, open communication and the integration of newcomers into effective, active and agile teamwork are two important objectives of managers. A strong discussion culture and constructive critical thinking are at the heart of the working culture. This is also fostered by an open approach to diversity, in terms of gender, age, educational background, nationalities, professional and life experiences, to make the most of the teams.

Third, the working environment at ProCredit also aims at combining the necessary flexibility to organise daily work through the empowerment of qualified colleagues while setting clear rules of organisation to allow for full integration and organised team work. We are convinced that teams are most productive when they work together to find the best solutions for

our clients, be they external or internal. We are also convinced that the best way to integrate newcomers, whether they are young graduates or experienced colleagues, is to take part in in-presence training and integration activities at the office. We are also convinced that the culture of working together benefits from working and spending time together. That is why we aim at combining the necessary flexibility (such as the option of remote working or flexible working hours) while giving priority to working together in the office.

IN 2023, **24%** OF OUR TOTAL STAFF ENGAGED
IN STAFF CONVERSATIONS



For creating equal and comfortable working environment we offer Internal benefits, such as: Green parking, subsidy, flexible working hours, remote work, health insurance, fitpass and etc.

Green Parking

Green Parking allows employees with electric vehicles to use the parking lot on the lower floor of the building for free. And for less eco-friendly transport, the company subsidizes a large part of the monthly parking fee, parking lot is situated near the working environment.

38% OF HEAD OFFICE EMPLOYEES
BENEFITED FROM THE PARKING SPACES IN 2023

Meanwhile, for employees who commute using public transportation, the bank is planning to launch a public transport subsidy program starting in 2024

Health Insurance

We offer the best health insurance package with very high coverage for all employees irrespective of position of the employee.

IN 2023, THE INSURANCE AMOUNT CONSTITUTED
25.38% OF THE BUDGET ALLOCATED TO SOCIAL AND EMPLOYEE BENEFITS PROGRAMS

The company also subsidizes a certain part of the daily cost of food. For more convenience, the kitchen is in the same building.

SOCIAL AND EMPLOYEE BENEFITS PROGRAMS MADE UP 6.6% OF THE OVERALL HR BUDGET

Flexible Working Hours

To ensure a proper work-life balance for our employees we offer flexible working hours and remote working opportunities.

Flexible hours provide employees with a two-hour range for their start times, allowing them to better manage their schedules. This flexibility enables individuals to prioritize time with their families, choose whether to begin their workday early or later, and tailor their daily routines to meet their personal needs. By accommodating different preferences, we empower employees to find the work-life balance that suits them best.

Remote Working

Remote working opportunities allow employees to work remotely one day per week or accumulate over the month and use a full remote week. The opportunity is not limited to a home office culture, but employees are allowed to work from anywhere in Georgia, the place that is more comfortable for them as long as it is safe and secure.

Among many other benefits, this helps employees save time commuting and spend more quality time with themselves and their families.

It is essential for us to cultivate an efficient and professional environment that yields meaningful results. Equally important is the promotion of personal interactions; a pleasant and relaxed atmosphere can significantly strengthen friendships and enhance teamwork. To support this initiative, the company has allocated 6.27% of the average monthly income per employee towards team-building activities. We encourage a variety of outings beyond the city, fostering an active lifestyle and deepening bonds among colleagues.





პროკრედიტ ბანკი
ProCredit Bank



FOSTERING SUSTAINABLE PARTNERSHIPS

Shared commitment to Environmental Awareness, Gender Equity and Sustainable Growth in Georgia

ProCredit Bank has demonstrated a strong commitment to environmental awareness, community engagement, and sustainable growth through a variety of impactful initiatives. By focusing on education and fostering eco-consciousness among students, as well as offering tailored support to clients, the bank positions itself as a leader in promoting social aspects of environmental, social, and governance (ESG) goals.

One of ProCredit Bank's key initiatives is fostering environmental awareness among school students. The bank hosts seminars focused on eco-friendly practices and the urgency of environmental protection, emphasizing the impact of climate change on society. These sessions are held several times a year, providing students with a comprehensive understanding of the importance of sustainable practices. Participants also benefit from eco-tours at the ProCredit Bank's Head Office, where they are introduced to practical solutions like a fully electric vehicle fleet, solar power installations, water harvesting systems, and waste separation practices. This hands-on learning experience aims to nurture a generation of environmentally conscious individuals who understand the importance of sustainable living.

Beyond schools, ProCredit Bank extends its sustainable initiatives to its clients, particularly small and medium enterprises (SMEs). Through regular meetings in central cities and regions, the bank highlights the advantages of investing in solar power and other green initiatives. ProCredit Bank offers special financing opportunities through its cooperation with local and international financial organizations and government agencies, making sustainable investments more accessible. With special financing conditions and grants, the bank reduces barriers for businesses looking to transition toward greener operations. This approach not only helps clients save on energy costs but also supports Georgia's shift toward a more sustainable economy.

ProCredit Bank distinguishes itself through its team of professional and highly trained staff who are dedicated to understanding and addressing each client's unique needs. The bank's advisors provide expert guidance throughout the entire financing process, ensuring that businesses receive tailored financial solutions that align with their specific sustainability goals. By combining this personalized approach with in-depth market knowledge and experience, ProCredit Bank empowers businesses to confidently and seamlessly transition to more sustainable practices, maximizing both financial and environmental benefits.

ProCredit Bank has consistently demonstrated its deep commitment to environmental sustainability through a range of initiatives aimed at improving local ecosystems and raising awareness about environmental responsibility. These efforts, spanning from community cleanup campaigns to reforestation



projects, highlight the bank’s dedication to a greener future and its role in promoting environmental awareness and action.

Achieving goals independently can be challenging; therefore, the bank strategically partners with organizations that share its common objectives. One such organization is Sadagi, a Georgian non-governmental organization (NGO) focused on environmental sustainability, particularly in the areas of ecological education, green initiatives, and waste management.

ProCredit Bank and Sadagi: Partnership for a Cleaner Environment

A series of joint environmental projects between ProCredit Bank and Sadagi, including World Cleanup Day, the Bakuriani Cleanup Festival, and the cleanup of the area around the Tbilisi Sea, have made a significant impact on improving the environment and raising public awareness. These initiatives involved employees, green partners, and local communities in cleaning public spaces and preserving natural areas. World Cleanup Day mobilized participants nationwide, while the Bakuriani Cleanup Festival aimed to maintain the beauty of this renowned mountain resort. The cleanup around the Tbilisi Sea focused on protecting the surrounding landscape. Each of these projects not only enhanced the local environment but also emphasized the importance of collective responsibility in creating a more sustainable future.

The partnership that began a few years ago culminated in 2023 with the signing of a memorandum to further strengthen the collaboration between the two companies. As part of this strengthened partnership, ProCredit Bank became the supporter and sponsor of Sadagi’s large-scale initiative, “Simultaneous Environmental Cleanup Activities Across Various Regions of Georgia,” further demonstrating its commitment to environmental sustainability and community involvement.

ProCredit Bank and CENN: Fostering Environmental Awareness and Community Action

CENN is another notable NGO with whom ProCredit Bank shares a strong commitment to environmental sustainability. In collaboration with the NGO CENN, the bank initiated a tree-planting project at Rustavi Public School. Employees, students, and school administrators joined forces to plant 30 different species of trees, fostering biodiversity and teaching students the value of environmental stewardship. This project is a testament to ProCredit Bank’s dedication to nature conservation and community education.

The bank also supports the “Beat Plastic Pollution” competition, a project led by CENN. The initiative aims to reduce single-use plastics by encouraging private organizations, associations, and embassies to adopt sustainable policies and implement context-sensitive solutions. ProCredit Bank’s participation in this project underscores its commitment to advancing sustainable practices both internally and within the



broader community. The project's second phase, which focuses on supporting eco-friendly practices in schools, is set to launch in 2024, with ProCredit Bank's active involvement.

ProCredit Bank's dedication to environmental awareness extends to its participation in events such as World Environment Day, hosted by CENN. During this event, which focused on the theme "Beat Plastic Pollution," Irina Kikvadze, an expert in energy efficiency projects at ProCredit Bank, shared insights into the bank's approach to environmental management and sustainable funding. She also led discussions on how the private sector can drive sustainability through innovative approaches. This event, attended by representatives from diplomatic missions, international organizations, government bodies, and the corporate sector, highlighted the importance of collaborative efforts in addressing environmental challenges.

Further Steps Toward the Environment

A notable example of ProCredit Bank's commitment is its involvement in World Car Free Day, where employees championed sustainable transportation by participating in a bicycle race while wearing branded t-shirts, emphasizing the benefits of eco-friendly commuting. This initiative serves as a reminder of the importance of reducing carbon emissions and embracing healthier, more sustainable lifestyle choices.



ProCredit Bank's green initiatives have expanded significantly in recent years. In 2022 and 2023, the Bakuriani Cleaning Festival saw increased participation, with more community members joining efforts to preserve the region's natural beauty. The tree-planting campaign also grew, involving more schools and community organizations, reflecting the bank's ongoing mission to support environmental sustainability and educate the public on the importance of preserving natural resources.

As ProCredit Bank looks to the future, it remains highly motivated to continue its contributions to a greener world. Through its dedication to environmental responsibility, both in its internal operations and community engagement, the bank consistently demonstrates its commitment to a sustainable future. These efforts reflect the core values of ProCredit Bank's environmental, social, and governance (ESG) strategy, ensuring that its actions today help to build a brighter, more sustainable tomorrow.

Empowering Future Generations through Gender Equity and Sustainable Development

ProCredit Bank's commitment to sustainable development extends beyond environmental practices to include support for gender equity and women's empowerment in Georgia. As a European financial institution that adheres to the Women's Empowerment Principles (WEPs), ProCredit Bank actively participates in initiatives to support women entrepreneurs and

future female leaders. The "Ring the Bell for Gender Equity" event, organized by UN Women, stands out as a key initiative. Now in its seventh year in Georgia, this event focuses on improving access to finance for women entrepreneurs, enabling them to thrive in the business world. Zeinab Lomashvili, Director of ProCredit Bank, has played a pivotal role in promoting gender equality and equity, showcasing the bank's strategies to foster an inclusive economy through partnerships with international organizations.

ProCredit Bank's engagement with strategic partners like the European Business Association (EBA) and USAID underscores its commitment to fostering economic growth. The bank has collaborated with these organizations to provide mentorship, training, and access to modern business practices for students and entrepreneurs. Through programs like the Career Development Bootcamp, students from diverse universities can hone their professional skills. ProCredit Bank has supported this initiative by hosting the opening event, where bank managers share insights into sustainable banking practices and the bank's European-rooted values. Exceptional graduates of the bootcamp can secure paid internships with the bank, further aiding their career growth.

The bank's role in promoting gender equity is further exemplified through its support for the "Girls for Change" program. This initiative, which has involved over 200 female students from various universities, aims to develop leadership skills among young



women. Through advanced training in fields such as business, diplomacy, civil society, and public policy, participants gain valuable insights into professional growth. The most successful students are offered internships with key partner organizations, including the European Business Association Georgia (EBA), USAID Economic Governance Program, and CIPE Europe & Eurasia. These partnerships provide students with the knowledge and experience needed to excel in their careers, creating pathways for future female leaders.

ProCredit Bank's efforts in community engagement, gender equity, and economic development demonstrate its commitment to shaping a brighter and more sustainable future for Georgia. By providing educational opportunities for students, supporting women's empowerment, and partnering with international organizations to promote economic growth, the bank continues to play a pivotal role in fostering a more inclusive and eco-friendly economy.



Electric Car Initiative

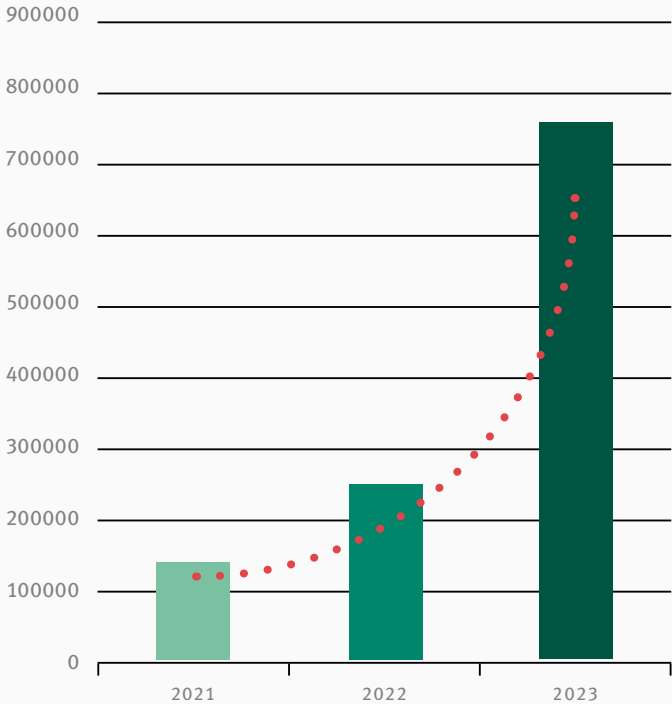
As a socially and environmentally responsible group, ProCredit has encouraged the transition to cleaner energy consumption in its countries of operation since its early years. This has meant making investments in our own RE/EE infrastructure as well as supporting the green investments of clients, including actively promoting and incentivizing e-mobility.

A step towards reducing our CO₂ is the ongoing transformation of our vehicle fleet to electric. For several years ProCredit Bank Georgia has tried to reduce the impact from our car fleet by purchasing more and more electric vehicles. By the end of 2021 100% of our car fleet was already comprised of EVs.

Apart from investing in our own e-vehicles, the ProCredit group, among them ProCredit Bank Georgia, is dedicated to raising awareness of e-mobility and actively incentivizing the use of EVs in countries of operation. To this end, we launched our “It’s time to buy electric car” campaign in 2023. For this reason, Procredit bank Georgia offers special loans to obtain EVs and have established cooperation agreements with car dealers to jointly facilitate the purchase of EVs.

ProCredit Bank Georgia has signed a memorandum of cooperation with several car dealers, among them are: Lion Group, Sena Auto, E-Motors Georgia, GMG, Solar Auto. Within the framework of the mentioned project, it is planned to deepen the cooperation with other car dealers in 2024.

EV Portfolio development throughout years (EUR)



Our Charging Station App

As a part of supporting the decarbonization of the transport sector in Georgia we continue to expand our regional network of electric vehicle charges available to the public. EV charger project was initiated in 2022 and continued in 2023. At the end of 2023, 27 chargers were already installed across Georgia. And we aren't stopped there: in 2024 we plan to install more charging stations and purchase additional electric cars.

In order to facilitate the use of our charging station network, we also launched the ProCredit Charging Station app, which was developed by Quipu, the group's IT company.

Download app here:



NO MORE EXCUSES NOT TO DRIVE AN ELECTRIC CAR

Network of electric
chargers is free for you



MILESTONES OF SUSTAINABILITY



Recognizing Our Achievements

In 2016, ProCredit Bank Georgia became the first bank in the country to receive the ISO 14001:2015 certification. This updated version of the globally recognized standard highlights the bank's dedication to implementing a robust environmental management system (EMS) that meets modern sustainability challenges. By achieving ISO 14001:2015, ProCredit Bank demonstrated its commitment to minimizing environmental impacts, improving resource efficiency, and continuously enhancing its environmental performance. The certification was last reviewed in 2024, reaffirming the bank's ongoing commitment to responsibility and sustainable banking practices.





Recognizing Our Achievements

ProCredit Bank Georgias head office is the first building in Georgia to have its resource efficiency confirmed with an EDGE international certification. International energy experts audited the bank HQ, which combines modern architectural design with energy, water and material efficiency, following the environmentally-oriented philosophy of ProCredit group.

Through its own successful example, ProCredit Bank offered businesses a special green building financing program in collaboration with Sintali-SGS.





Recognizing Our Achievements

In 2019, ProCredit Bank Georgia received the Meliora Award for being the “Responsible Large Business of the Year.” This award recognized the bank’s leadership in integrating responsible business practices and sustainability into its core operations. ProCredit Bank’s commitment to ethical standards, environmental responsibility, and social impact solidified its position as a leading institution in Georgia, setting a benchmark for corporate responsibility in the country.





Recognizing Our Achievements

ProCredit Bank is the winner of the Corporate Sustainability Award 2023!

The bank excelled in the category of large businesses, in the nomination SDG-7 - Affordable and Clean Energy with its outstanding project, the Development of an electric vehicle fleet and charging stations infrastructure.

This highly competitive competition was initiated by the UN Global Compact Georgia Network and received support from the Swedish Government and the Civil Society Engagement Program of USAID. Nominations were selected in alignment with the Sustainable Development Goals established by the United Nations in 2015.

ProCredit Bank not only shares the principles and values upheld by the UN Global Compact but also effectively implements and realizes them, leading to measurable benefits



FUTURE-DRIVEN GOAL

NET ZERO AMBITION

Our Climate Action Strategy

Building a climate-resilient portfolio

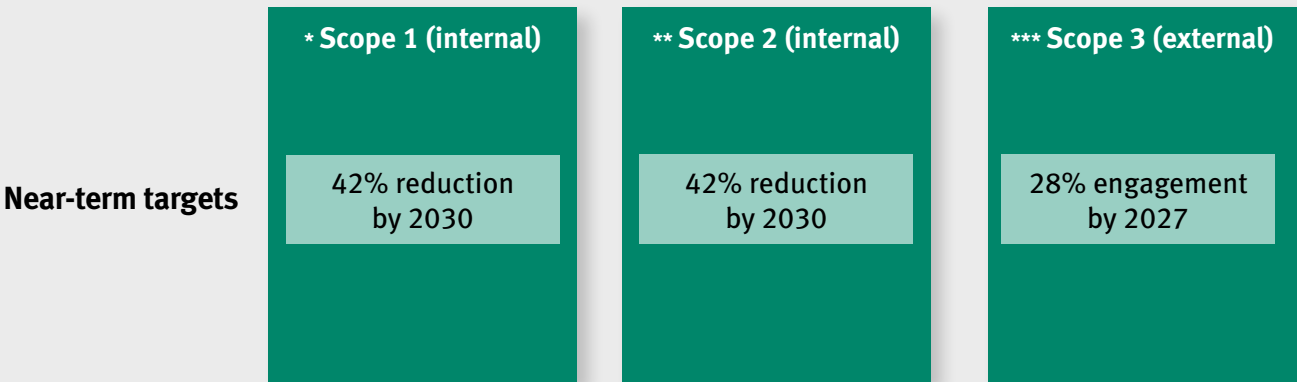
We consider climate-change-related risks (physical and transition risk) in our risk management framework and we support our clients in making their businesses more resilient to these risks.

- 1 Integrating climate risk into our risk management in 2023
- 2 Identifying climate risk clusters in our portfolio
- 3 Supporting our clients

Net zero by 2050

We have committed to becoming net zero by 2050. This includes reducing our own emissions (Scope 1 and 2) as well as those related to our loan portfolio (Scope 3, category 15)*.

* Scope 3, category 15 refers to the emissions derived from our financed loan portfolio.



At the group level, we have developed a Climate Action Strategy to align with the 1.5°C scenario of the Paris Climate Agreement. Our goal is to cut at least 90% of our Scope 1, 2 and 3 emissions by 2050. Our Climate Action Strategy includes a comprehensive impact analysis of our operating and financial activities. We have established near-term targets grounded in scientific methodology and validated by the Science Based Targets initiative (SBTi).



* Scope 1
Emissions: These are direct emissions from owned or controlled sources. For example, emissions from fuel combustion in company vehicles or facilities.

** Scope 2
Emissions: These are indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company. While the emissions occur at the power plant, they are attributed to the company using that energy.

*** Scope 3
Emissions: These include all other indirect emissions that occur in a company’s value chain, both upstream and downstream. This can involve emissions from suppliers, product use, waste disposal, and more. Scope 3 often represents the largest share of a company’s total emissions.

Crafting Our Own Net-Zero Journey

Since 2015, we have been implementing a robust internal environmental management system to mitigate the impact of our operations on climate and environment. We measure and monitor CO₂ emissions related to our operations (Scope 1 and 2) these mainly stem from electricity, heating and vehicle use.

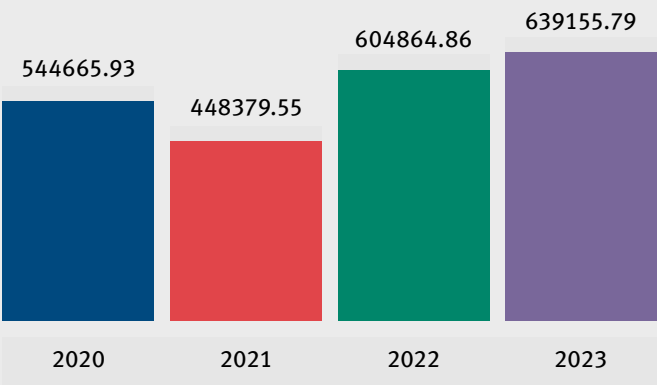
Our goal is to reduce these emissions by 42% by 2030 through the following measure:

- Increase the share of renewable electricity use by investing in our own photovoltaic systems and clean energy suppliers

Supporting our clients to reach Net Zero

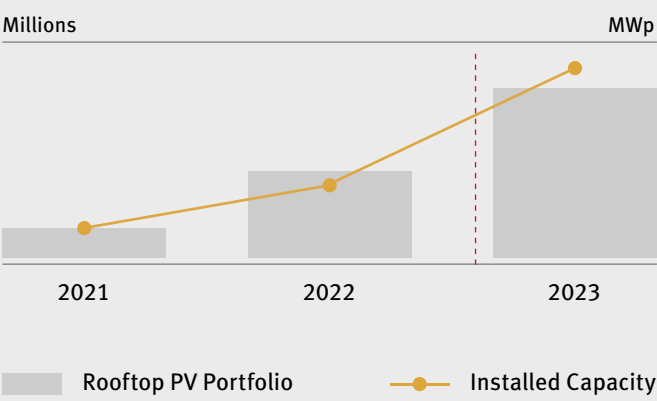
Our journey towards net-zero Scope 3 emissions is client-centric, recognizing the important role and responsibilities that the financial sector has in supporting decarbonization of the real economy. This is one of the reasons why we focus on active engagement with our clients to support their transition towards reaching net zero. Our goal is to support clients in their decarbonization efforts through carbon accounting and emission reduction target-setting, as well as by providing financial support to implement their strategies. By 2027 we aim to engage with clients who are responsible for 28% of the CO₂ emissions from our loan portfolio.

Total GHG Emissions (kg CO₂ eq.)



In 2023 the bank has disbursed PV loans for the power of 11 MW pick capacity. Our goal is to increase the share of green loans.

Rooftop PV Portfolio Development



EMPOWERING WOMEN

ProCredit Bank, in collaboration with UN Women and the Taso Foundation, is set to launch a new initiative in 2024 aimed at supporting women entrepreneurs in rural areas of Georgia. The program is designed to provide women with the skills and resources they need to succeed in business through a structured three-stage process.

In the first stage, the program will open to 200 women, with 80 participants selected to undergo specialized entrepreneurship training. In the second stage, participants will be evaluated based on specific criteria, and approximately 60 participants will be awarded grants to help kickstart or expand their business ventures. In the third stage, those who receive grants will have access to individual counseling sessions, offering tailored guidance and support as they build their businesses.

This initiative reflects ProCredit Bank's commitment to European values and gender equity. As a signatory of the UN Women's "Principles of Women's Empowerment," the bank aims to create more inclusive economic opportunities, particularly for women in underserved communities. By focusing on

providing training, financial support, and ongoing mentorship, ProCredit Bank and its partners are working to foster a stronger, more inclusive economy.

ProCredit Bank remains committed to initiatives that empower individuals and communities, recognizing that such efforts are essential for sustainable development and long-term growth. Supporting women entrepreneurs is a crucial part of building a brighter and more inclusive future for Georgia.

Maka Makhatadze
IT Academy STEP Georgia
Client of ProCredit Bank since 2019



GROWING GREEN

We believe that ProCredit Bank Georgia can generate significant positive impact by promoting sustainable economic development by financing micro, small and medium-sized enterprises, we support growth, innovation and job creation in Georgian market. Moreover, our emphasis on green finance allows the reduction of GHG emissions and lowers pollution. In addition, our unique digital first approach to retail banking enables us to provide high-quality, convenient and transparent services.

With our green finance activities, we directly promote eco investments in the countries of operation and support clients who want to improve their business processes in an environmentally sound manner by investing in energy efficiency, renewable energies, or environmental protection.

One of our sustainability goals is to continue to promote investments in environmentally friendly technologies and businesses. We will be focused on carrying out thorough assessments of all our business clients, providing advice for better management of environmental and social risk, and further improving our internal environmental and social regulations. This approach is in line with our long-term development strategy and our core values.



