

ENVIRONMENTAL STATEMENT 2018

for the ProCredit institutions located in Germany



Information about this statement

This Environmental Statement covers the calendar year 2018 and is the second complete statement of the ProCredit institutions located in Germany since 2015. This brochure provides a detailed overview of the Environmental Management System of the ProCredit group and highlights the most important developments in the institutions' environmental management since the last complete environmental statement in 2016.

Within the scope of this complete environmental statement, the organisation of the group and its Environmental Management System (EMS) are described in the following sections:

- The ProCredit group at a glance
- Our environmental principles
- Implemented environmental measures in recent years – milestones
- The ProCredit Environmental Management System
- Context of Environmental Management System
- Life cycle assessment

The scope of the statement and the EMAS validation includes the following four institutions:

- ProCredit Holding AG & Co. KGaA, Rohmerplatz 33-37, 60486 Frankfurt am Main
- ProCredit Bank AG, Rohmerplatz 33-37, 60486 Frankfurt am Main
- ProCredit Academy GmbH, Hammelbacher Straße 2, 64658 Fürth
- Quipu GmbH, Königsberger Straße 1, 60487 Frankfurt am Main

Further informational material on environmental protection and sustainability in the ProCredit group, including the previously published Environmental Statements and the ProCredit Group Impact Report, can be downloaded from the ProCredit Holding website.

The next validated Updated Environmental Statement will be published in January 2021.

List of abbreviations and names

CO₂eq	Carbon dioxide equivalent
EE	Energy efficiency
ESG	Environmental Social Governance
EU	European Union
EUR	Euro
GEM	Group Environmental Management
GR	Environmentally friendly projects, environmental protection measures
GRI	Global Reporting Initiative
IPC	Internationale Projekt Consult GmbH
SME	Small and medium-sized enterprises
kWh	Kilowatt hours
LED	Light-emitting diode
PCA	ProCredit Academy
PCB	ProCredit Bank
PP	Per person
PCH	ProCredit Holding
PV	Photovoltaic
RE	Renewable energy
GHG	Greenhouse gas
E&S	Environmental and social
EMS	Environmental Management System
OS	Overnight stay
FTE	Full-time equivalent



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1 Foreword¹

As in previous years, progress continued to be made in the 2018 financial year in the area of environmental and social responsibility within the ProCredit group. Further developments are visible in every aspect of our EMS – which aims to minimise our direct and indirect environmental impact, increase the environmental awareness of our clients and ensure that our social impact is positive. Our EMS also influences our actions in other areas, such as external communications and fundraising.

Since 2016, the shares of ProCredit Holding AG & Co. KGaA, the parent company of the group, have been listed on the Frankfurt Stock Exchange's Prime Standard segment. This provides access to the ProCredit group for investors who identify with our business policies, including our comprehensive sustainability strategy. The group comprises banks focusing on SMEs in South Eastern and Eastern Europe and also operates in Germany and South America.

In March 2018, the first group-wide Impact Report for 2017 was published to transparently communicate our extensive environmental and sustainability efforts. This report follows the international guidelines of the Global Reporting Initiative (GRI). The ProCredit Impact Report provides insight into the ESG challenges that ProCredit banks face on a daily basis in their markets and explains our ESG-specific approaches and strategies to address these challenges.

The fact that the banks also play a pioneering role in their markets with their internal environmental management systems is also an important

aspect. For instance, by the end of 2018 all banks in the ProCredit group had converted 50% of their internal vehicle fleets to more environmentally friendly electric or hybrid vehicles.

Since electricity in most of the countries where ProCredit banks are active is generated largely from fossil fuels, the group has decided to install and operate its own PV systems within the scope of the available technical possibilities. Here, too, the banks are often models in their markets and at the same time reduce their CO₂ footprint².

Both of these examples reflect the ProCredit group's comprehensive sustainability concept, which we will continue to implement in the future.

For more about sustainability at ProCredit, we invite you to have a look at our website³. We would particularly recommend that you read the ProCredit Impact Report, which was produced in line with GRI standards and is also published on our website.

In the course of the changes regarding EMAS regulation, new environmental indicators were introduced and existing ones were expanded. A detailed description is provided in sections 6 and 7.

¹) The designated language of the ProCredit group is English. For this reason, fixed terms and descriptions in this language are retained.

²) Applies to CO₂ eq.

³) <https://www.procredit-holding.com/downloads/>

When making comparisons with previous environmental statements that refer to per person consumption or changed environmental indicators, footnotes are used to draw attention to changes, if necessary.

2 The ProCredit group at a glance

2.1 The ProCredit group internationally

The ProCredit group operates locations primarily in transition economies and developing countries in Eastern and South Eastern Europe and in South America as well as in Germany, focusing its core activities on classical banking. The group also comprises a number of important support companies, such as the ProCredit Academy and Quipu, the group software company.

The ProCredit group is supervised on a consolidated basis by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, or BaFin) and the Deutsche Bundesbank. ProCredit Holding is the parent company of the group and the superordinated company of the group from a regulatory point of view.

In our operations, the group adheres to a number of core principles: We value transparency in our communication with our customers, we do not promote consumer lending, we strive to minimise our ecological footprint, and we provide services which are based both on an understanding of each client's situation and on sound financial analysis.

We focus on small and medium-sized enterprises, as we are convinced that they create jobs and make a vital contribution to the economies in which they operate. Our vision of economic development includes social and environmentally friendly business management, the dissemination and application of environmentally friendly technologies, and the creation of long-term jobs. That is why we support businesses which, like us, have realised that economic growth cannot come at the expense of the environment.

Our shareholders expect a sustainable return on investment over the long term, rather than being focused on short-term profit maximisation. We invest extensively in the training and development of our staff in order to create an open and efficient working atmosphere. This likewise supports our efforts to provide friendly and competent service for our clients.

2.2 The locations of ProCredit institutions in Germany

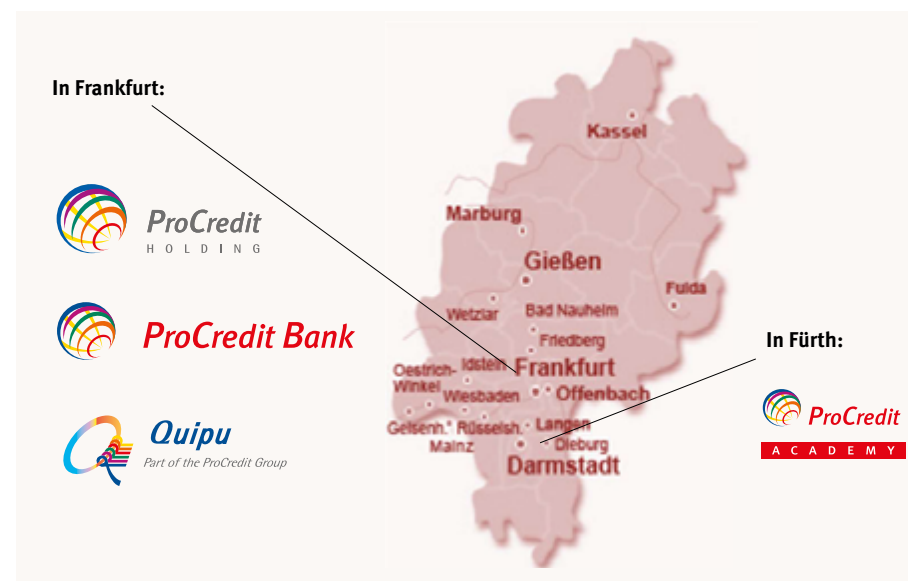


Figure 1: Locations of ProCredit institutions in Hesse, Germany

2.2.1 ProCredit Holding AG & Co. KGaA

ProCredit Holding is the parent company of the group and the superordinated company of the group from a regulatory point of view. As such, it is responsible for the strategic management, capital adequacy, reporting, risk management and proper business organisation of the group pursuant to section 25a of the German Banking Act (Kreditwesengesetz – KWG). ProCredit Holding is a financial institution pursuant to the Capital Requirement Regulation (CRR) that does not have a banking licence.

It sets the overall policy guidelines and standards for all key areas of banking operations as well as for environmental management in the group.

ProCredit Holding is strongly involved in staff management and training issues. It takes the lead, for example, in developing and designing curricula for the ProCredit Academy. Furthermore, it facilitates the rapid dissemination of best-practice approaches by holding regular seminars and workshops for the senior and middle managers of all ProCredit institutions; e.g. the half-yearly Green Seminar, where the Environmental Coordinators and managers of all ProCredit banks meet to exchange knowledge and further develop the group's EMS.

Location of PCH

ProCredit Holding is located in Bockenheim, a district of Frankfurt, in a rented building that is shared with three other companies, including ProCredit Bank Germany. Occupying four floors (the 2nd to the 5th floors) and an office area⁴ of 2,390 m², ProCredit Holding is heated with a central gas heating system; some parts of the building are cooled by a central cooling system, while the remaining spaces are cooled with individual split air conditioning units. The main server is outsourced to an external computer centre in Frankfurt. The company has one electric car for business-related travel.

2.2.2 ProCredit Bank Germany

ProCredit Bank Germany was registered with the commercial register in 2012 as a 100% owned subsidiary of ProCredit Holding. It not only supports the ProCredit group worldwide and provides financial services in Germany, it also supports German companies operating in ProCredit countries.

ProCredit Bank Germany helps these German clients in their efforts to develop business relationships in countries where the group is active. By opening a business account, for instance, companies can transfer money to their own or to suppliers' accounts in the Eastern European ProCredit banks in a very convenient, fast and inexpensive way. For business clients of the ProCredit banks in Bulgaria, Romania, Serbia, Georgia and North Macedonia, our bank in Germany provides access to cost-effective co-financing, international payments and trade finance instruments.

The bank provides specific benefits to the other banks in the group, such as favourable conditions on international payments and funds for SME lending, as well as treasury services. In the process, it helps the entire group to offer a broad range of innovative banking services.

The bank applies all relevant group-wide standards on environment-related issues and, since the beginning of 2019, is a climate-neutral enterprise.

4) Office area does not include storage areas, balconies or parking spaces

Location of PCB Germany

ProCredit Bank is located in the same building as ProCredit Holding in Frankfurt. Therefore, its energy supply and handling of the computer centre are as described above. PCB Germany's office space of 1,421 m² is spread over two floors. The bank does not have its own company car.

2.2.3 ProCredit Academy GmbH

The ProCredit group dedicates significant resources to training, as responsible financial intermediation requires staff who are able to establish long-term relationships with our customers, analyse credit risk reliably and provide good service in a friendly and efficient manner.

In view of the demands that we place on our managers and specialists in serving SME clients, great importance is attached to appropriate training. This is provided in particular through our two-stage programme at the ProCredit Academy in Fürth (Odenwald).

The first phase at the Academy consists of a one-year part-time programme, the ProCredit Banker Academy. This program is open to all interested employees and aims to bring together competent specialists and potential managers for the active exchange of views and questions on ProCredit's vision and business strategy. Graduation from the Banker Academy is also a prerequisite for admission to the ProCredit Management Academy. The most promising candidates are invited to complete the three-year Management Academy course.

The groups in both academy programmes comprise participants from all ProCredit institutions, offering the unique opportunity to learn intensively together with colleagues from other cultures and to discuss a variety of topics, including environmental issues such as climate change, water management and environmental management.

The ProCredit Academy Campus also houses the ProCredit Language Centre, a specialised school for English-language coursework. The language school offers courses lasting several weeks, with overnight accommodation and meals. The focus of language teaching is on preparation for participation in the ProCredit Academy programmes. In addition to conventional language teaching, participants acquire social skills in the areas of presentation, negotiation techniques and written communication. The teaching content promotes active language acquisition. The ProCredit Language Centre's courses are open to all ProCredit employees worldwide, regardless of their position or background.

Location of PCA

When it was purchased in 2006, the main Academy building, built in 1870 as a hotel, was in dire need of repair. The premises were renovated and the infrastructure was improved to enable the efficient use of energy. The modern buildings are now heated in a climate-friendly way with wood pellet boilers and electricity is generated by solar panels on the roofs. The total heated area amounts to 4,668 m². Four cars are owned by the Academy for logistical purposes. The Academy manages the training courses as well as the accommodation and catering for students and other visitors.

At the beginning of 2018, a PV system was installed at the guest house to provide solar electricity. In winter 2018/2019, an indoor swimming pool was built in to be CO₂ neutral by means of a PV system with battery storage, pellet heating and gas from renewable sources. The indoor swimming pool is available to surrounding schools for swimming lessons as well as for the students and staff of the Academy.

2.2.4 Quipu GmbH

Quipu is an IT consultancy and software development company which provides comprehensive end-to-end solutions for banks and financial institutions. Its product portfolio ranges from electronic payment and software systems to hybrid cloud provisioning and operation. The company is a 100% subsidiary of ProCredit Holding.

Quipu has over 35 years of experience in developing software applications, tools and other services to provide optimal technical support to financial institutions. By combining its global expertise with the knowledge of local requirements, Quipu plays a central role in enabling its custo-

mers to be competitive and efficient, and to successfully respond to the evolving demands of their industry, markets, and regulators.

As part of the ProCredit group, Quipu has also taken measures to ensure that its activities and staff are environmentally and socially responsible. With an internal Environmental Management System in place, Quipu also engages its staff in Frankfurt and other regions through training, informative newsletters and other activities in order to raise awareness about environmentally sound behaviour.

Location of Quipu GmbH

In 2015 Quipu's head office was moved to new rented premises in the Bockenheim district of Frankfurt. The modern and energy-efficient building reduces the environmental impact of the company, with heating (gas) and cooling provided centrally. The new building is shared with other companies; since mid-2018 Quipu has occupied parts of the ground floor and the entire first floor, for a total of 2,259 m². Quipu has owned three business vehicles since 2019, one of which is an electric car with low CO₂ emissions. The company's main servers are located in an external data centre in Frankfurt. In addition to its headquarters in Frankfurt, Quipu operates eight regional offices around the world, enabling the company to address client needs promptly.

3 Our environmental principles

ProCredit Holding, ProCredit Bank Germany, Quipu and ProCredit Academy fully support and are committed to the environmental approach of the ProCredit group. We therefore support forward-thinking environmental management that enables us to detect and avoid potential environmental impacts early on. Within the framework of our Environmental Management System, we undertake to continually improve our environmental performance and to work towards reducing our direct and indirect impacts on the environment.

In order to achieve this, we set targets for the environmental performance of our institutions and develop concepts. Management provides the necessary human and financial resources and is responsible for fulfilling the defined targets.

For the purpose of measuring and monitoring environmental performance, we have defined performance indicators. Every employee, by adapting his or her approach to work, contributes to the success of the EMS. All employees are informed about the EMS and are invited to actively participate in improving the environmental performance of our institutions.

We conduct our business activities in a sustainable and environmentally friendly manner and use resources as efficiently as possible. We pay additional attention to the environmental and social impact of our lending operations. Our ultimate objective is to protect the environment and prevent pollution, and to this end, we adhere to the following key principles:

- Identifying the environmental aspects and impacts of our business activity
- Developing and implementing measures to mitigate environmental impact
- Using resources as efficiently as possible
- Ensuring compliance with relevant legislation and international standards
- Raising environmental awareness among our staff
- Minimising the environmental and social impact of our lending operations
- Encouraging our clients to invest in an environmentally sound way

The Management and all staff of the ProCredit institutions are obliged to comply with the regulations of the Environmental Management System.

4 Implemented environmental measures in recent years – milestones

In the following, we present a selection of implemented environmental measures that improved our environmental performance in the past, along with key milestones of the historical development of the ProCredit institutions located in Germany.

2006 - 2016

In this period, PCA in Fürth (Odenwald) was established, renovated and modernised through the use and installation of sustainable equipment and measures.

Through the cooperation between IPC GmbH and PCH, a comprehensive EMS was developed for the ProCredit group. This system was adjusted in 2015, in accordance with EMAS regulations, for the ProCredit group locations in Germany.

For a more detailed list of our milestones in this period, please refer to the 2016 Environmental Statement.³

2017

Starting in 2017, we encouraged all ProCredit group institutions to invest in PV systems within their properties, where technically feasible. Other renewable energy sources are also used, such as solar and geothermal energy, or the Academy's pellet heating system.

2018

To further communicate the ProCredit group's environmental and sustainability efforts, the first GRI-standard Impact Report was published in March.

PCA installed another PV system on the guest house to produce electricity for their own use and thus increase the share of self-produced renewable energy.

All banks in the group now have ISO 14001:2015 certification and thus an EMS in accordance with international standards.

2019

PCA completes the indoor swimming pool, including a further PV system featuring battery storage, which contributes to the Academy's self-sufficiency. In addition, heating of the language school and indoor swimming pool is produced from 100% renewable sources: since the start of 2019, pellet heating has been supplemented with gas heating which runs exclusively on BioLPG – a liquid gas from biological waste. The indoor swimming pool is available for the students and staff of the Academy as well as for the surrounding schools to hold swimming lessons.

Wild meadows were also created at the Academy in order to positively influence the biological diversity of the surrounding area. In total, the undisturbed areas of PCA amount to almost 2,600 m².

5 ProCredit's approach to environmental management

Ensuring that the economic development that the ProCredit institutions support is as environmentally and socially sustainable as possible is a central component of our development mission. For this reason, all ProCredit institutions set high standards regarding the impact of their operations on the environment and play an important role in raising the environmental awareness of their staff, clients, counterparties and the general public through the implementation of a comprehensive and sustainable system for managing environment-related activities.

5.1 The three-pillar approach

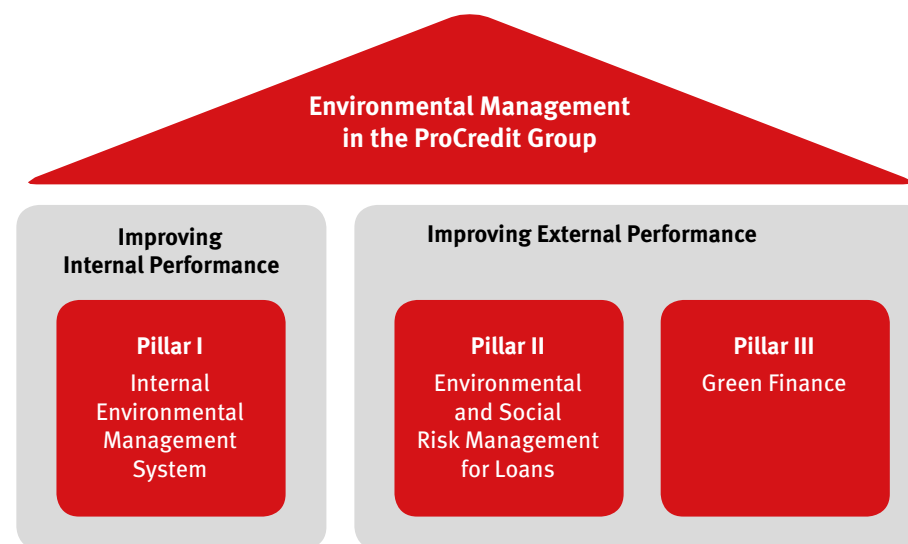


Figure 2: The ProCredit group's three-pillar approach to environmental management

The ProCredit group has developed and implemented a three-pillar approach for a comprehensive Environmental Management System which aims to reduce both the internal and external environmental impact of the ProCredit banks (see Figure 3 below). This approach is tailored to the environmental aspects of financial institutions and is therefore not fully applicable to the ProCredit institutions with a different business activity (ProCredit Academy, Quipu). The approach is part of the corporate identity of the group, and ProCredit Holding controls the environmental performance of the ProCredit banks through its definitions.

Pillar I: Internal environmental management

Internal environmental management relates to all in-house measures for taking account of and regulating the banks' environmental impact. The ProCredit institutions continually monitor their own energy and resource consumption in order to reduce environmental impact and identify opportunities for improvement. These activities include implementing energy and resource efficiency measures, raising the level of environmental awareness among staff, carrying out communication measures to provide staff with relevant environmental information and local environmental regulations. Environmental education makes up a significant part of continuing professional development for our staff on both the regional and international level.

Pillar II: Management of environmental and social risk in lending

The goal of this pillar is to reduce the adverse impact caused indirectly by the banks' lending activities. This includes assessing and monitoring the environmental and social (including also health and safety) risks of a client's business, filtering out and rejecting loan applications involving activities that are harmful to the environment. At the same time, it creates incentives for clients to reduce their environmental impacts of their activities.

In the framework of managing the environmental and social risks in the lending process, the ProCredit group has implemented an environmental and social risk categorisation system that is based on international standards and which assigns individual economic sectors to the low, medium or high environmental and social risk category, depending on their potential environmental and social impact. All companies whose business activities fall into the medium or high risk categories are subject to a further individual assessment of their performance with regard to environmental, health and safety issues.

In addition, ProCredit banks engage business clients in dialogue to discuss how our services can help them to improve their environmental and social performance in an economically sound way.

Pillar III: Green finance/green loans

This pillar aims to improve the banks' external environmental performance by designing and offering specialised loans for green investments and improvements of business processes in an environmentally sound manner. ProCredit banks work with a list of eligible measures which result in significant positive impacts on the environment like heating boilers, solar systems and organic agriculture. For complex investments like manufacturing facilities, biogas plants and sewage treatment plants, a case-by-case analysis is carried out by in-house technical experts. All green investment projects are classified into one of the following categories: energy efficiency, renewable energies or environmentally friendly measures.

ProCredit banks play a pioneering role in their markets by offering special green loans for the above-mentioned types of investments. This initiative is motivated by the commitment shared by the entire ProCredit group and its shareholders to accelerate the adoption of energy efficient and renewable energy technologies as well as to incentivise and support businesses in realising environmentally friendly investments.

EMS organisational structure at a group level

As with any other management system, there is a defined centralised structure for the EMS at group level and an independent structure for each institution. At group level, strategic decisions are taken by Group Environmental Steering Committee, which meets at least quarterly and is chaired by a member of the PCH Management Board. The committee is

made up of voting members comprising representatives of the Management Board and of the Group Environmental Management team; non-voting members include the heads of Group Communications, Group Funding, Group HR/IT, and Administration, and IPC GmbH.

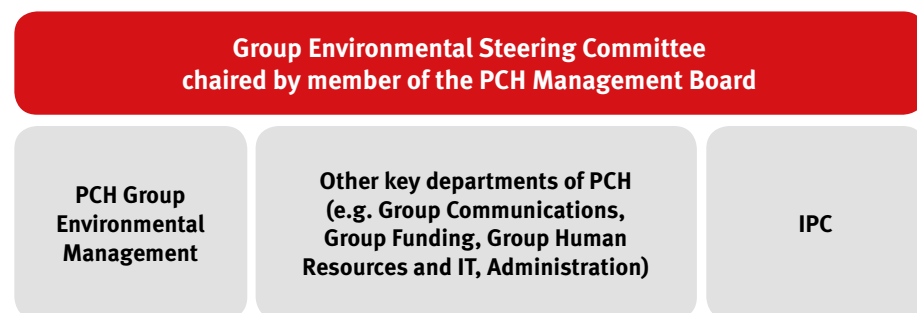


Figure 3: EMS structure at group level

Group Environmental Management (GEM), which is an organisational unit at ProCredit Holding, supports the ProCredit group approach to environmental management in all its dimensions. Therefore, GEM also supports and organises the implementation and maintenance of an EMS at all ProCredit institutions in Germany. IPC GmbH provides technical support and training at the group and bank level for every aspect of the EMS.

5.2 EMS organisational structure at ProCredit institutions located in Germany

Environmental Management according to EMAS aims to achieve the continual improvement of the institution's environmental performance and to review the implementation of measures on a regular basis. To achieve this, a framework of responsibilities and documents has been set up at the ProCredit institutions in Germany. The Group Environmental Policy on Environmental Management defines the general outlook of the EMS for all ProCredit institutions, including the three-pillar approach, the set-up of the Environmental Committees, the Environmental Management Units at the banks, the various responsibilities, etc. This document also includes the environmental principles valid for the entire group as guidelines for our environmentally sustainable development (see section 4).

The policy has been implemented at ProCredit Holding, ProCredit Bank Germany, Quipu and the Academy using a joint Environmental Management Manual as well by determining the general activities, required documents and responsibilities within Pillar I (internal environmental management).

ProCredit Bank Germany follows the group-wide standard procedure when assessing the environmental and social risks in lending (Pillar II) and green lending (Pillar III).

Each institution has an Environmental Committee that is chaired by a Management Board member and is composed of staff members from different departments, as well as an Environmental Coordinator who is appointed by the Management Board (see Figure 5). At ProCredit Holding, the Environmental Coordinator is a member of the Group Environmental

Management team. The Group Environmental Steering Committee provides guidance to both the group and ProCredit Holding.

EMS guidelines, individually adapted to the specifics of each institution, define requirements with regard to procurement, the selection of suppliers, data collection and monitoring, environmental planning, legal compliance, waste management, document control and internal audit.

The first environmental review assessed the relevant environmental parameters of each institution. On this basis, annual environmental planning serves to define the environmental programme. The formulated environmental goals comprise the appropriate measures and responsibilities for their implementation. Legal compliance is ensured through the annual review of compliance obligations and our adherence to these obligations. All relevant laws and regulations are listed in the register of environmental laws and updated as necessary. However, for all institutions, mainly regulations on waste management are deemed relevant, in addition to obtaining necessary permits, e.g. for the oil tank at the Academy.

External communication about the EMS is carried out in the form of the environmental statement and Impact Report as well as through information provided on the webpages. The EMS of the four institutions is regularly audited by the Audit Department at ProCredit Holding and ProCredit Bank AG to ensure effectiveness and compliance with EMAS standards. The findings of the audits are discussed in the Environmental Committee meetings of each institution and necessary corrective measures are defined.

The Environmental Committees play a central role in analysing the environmental performance of the institutions, defining targets and mea-

sures and involving staff members in the topics at hand. The committees are organised and carried out by the Environmental Coordinator of each institution, who is also responsible for the general implementation and maintenance of the EMS. Internal communication about environmental management has a high level of importance. Thus, regular trainings or other internal information initiatives are to be carried out.

The EMS is validated on-site at each institution by an authorised environmental verifier.



Figure 4: Elements of the EMS at ProCredit locations in Germany

6 Update of the EMAS Regulation

The annexes to the EMAS Regulation were updated after resolutions of the EU Commission dated 8 August 2017 and 12 December 2018 and now include the provisions of the amendment to ISO 14001:2015. The updated EMAS Regulations (EU Regulation 2017/1505 and EU Regulation 2018/2026) entered into force on 19 September 2017 and 9 January 2019. The implementation of EU Regulation 2017/1505 was already taken into consideration in the Environmental Statement in 2017. We have therefore undertaken a review of the context of our EMS as well as a life cycle analysis of the most important services and products of the ProCredit institutions; these will be presented in this Environmental Statement, with the results of the analysis explained in greater detail in section seven. The implementation of EU Regulation 2018/2026 has been fulfilled with this Environmental Statement.

6.1 Context of Environmental Management System

The context of the EMS was examined on the basis of a stakeholder analysis. We analysed the expectations, obligations, risks, opportunities and internal regulations relevant to the parties that have an interest in the EMS, such as employees, customers and shareholders, as well as the relevant authorities. This analysis is intended to provide our institutions with ways to improve their relationships with stakeholders, taking greater account of their requirements by looking at cultural, social and political aspects, as well as their respective strategic objectives.

However, as ProCredit has successfully operated an environmental management system for many years with transparent reporting lines, we were unable to identify any significant opportunities to better accommo-

date the interests and expectations of our stakeholders. The expectation for the ProCredit group to prepare a sustainability report was fulfilled with the publication of the Impact Report 2018 (for the 2017 period) and 2019 (for the 2018 period) according to GRI standards. This reporting also included a stakeholder analysis, which will be updated in 2020.

6.2 Life cycle assessment

In order to meet the EMAS requirements (EU Regulation 2017/1505), in 2017 we conducted the first complete lifecycle assessment of our main services, such as the provision of loans (PCB), IT services (Quipu) and accommodations (PCA). The environmental aspects and impacts along the various stages in the provision of the services were identified, and the relevance, risks, opportunities and control options for these were analysed in order to determine the potential for improvement. Taking a renewed look at the opportunities and risks helps the institutions to identify long-term trends – such as climate risks or innovation potential – and to ascertain what the scope for action is while avoiding potentially undesirable developments. The following figure presents analyses for two examples: granting loans and catering for Academy guests.

As a whole, it was determined that our current environmental management guidelines enable us to control the resulting environmental impacts well. The results of the life cycle analyses have been applied in the formulation of goals and measures in the past two years and will continue to be pursued in the future.

6.3 Significant environmental requirements and their implementation

The ProCredit locations in Germany are subject to various legal requirements. Below, we list the most relevant environmental regulations:

- Regulation on Hazardous Substances - Regulation on Protection against Hazardous Substances (GefStoffV)

This regulation describes the requirements for risk assessment, basic obligations and protective measures depending on the hazard. The aim of the regulation is to protect people and the environment from the effects of harmful substances.

- Regulation on Facilities for Handling Substances that are Hazardous to Water (AwSV)

This regulation serves to protect water bodies against substances hazardous to water. Substances are classified according to their hazard potential and, on that basis, requirements are laid down for facilities and handling.

- EU Regulation 517/2014 of the European Parliament and of the Council of 16 April 2014 on fluorinated greenhouse gases and repealing EC Regulation 842/2006 (EU F Gas Regulation)

This Regulation sets out bans, restrictions and maintenance requirements relating to fluorinated greenhouse gases (F-gases) in the EU. The aim is to reduce emissions in order to meet the obligations of the Montreal Protocol.

- Regulation on the Management of Commercial Municipal Waste and of Certain Construction and Demolition Waste (GewAbfV)

In order to ensure that waste is recycled in the best possible way, the GewAbfV regulates the separation of waste from commercial enterprises. Waste is separated according to: paper, glass, plastics, metal, organic waste, wood and textiles.

- First regulation for the implementation of the Federal Emissions Control Act - Regulation on Small and Medium Combustion Plants (1 BImSchV)

In order to reduce air pollution, this document regulates the operation of combustion plants, which are not subject to approval according to article 4 BImSchG. In addition, efficient use of energy is also being sought.

- Sweeping and Inspection Regulation - Regulation on Sweeping and Inspection of Installations (KÜO)

The KÜO ensures fire protection and safety for operators of combustion plants. Maintenance needs and the requirements for installations and chimney sweeps are set forth here.

The provisions of 1 BImSchV, KÜO and AwSV are only relevant for implementation at ProCredit Academy. For the other locations, this responsibility lies with the landlord and we monitor implementation.

The implementation of the regulations is as follows:

GefStoffV: The existing substances are recorded in a hazardous substance register with a risk assessment showing the degree of hazard they pose. Protective equipment (e.g. safety goggles) is provided for handling the substances. The substances are stored in a safe environment and disposed of by suitable service providers.

AwSV: The underground oil-fired boiler at PCA is regularly inspected by an expert. The relevant records, certificates and reports are retained. If defects are found during the inspection, they will be rectified by competent service providers in a verifiable and timely manner.

EU F Gas Regulation: Refrigeration systems are subject to regular leakage tests by suitable service providers. PCA retains reports of these tests and observes test intervals. At the other locations, this responsibility lies with the respective landlord but implementation is also monitored by the institutions.

GewAbfV: Waste is collected at all locations and separated into paper, glass, organic waste, plastics and, if necessary, wood, metal and textiles. For PCA, the disposal company certificates are also documented. For the other locations, the responsibility lies with the respective landlord.

1. BImSchV and KÜO: At PCA, the existing combustion installations are tested and maintained in accordance with the statutory provisions. The relevant documentation on chimney sweeps and system installers is retained in order to ensure compliance with threshold values, maintenance intervals, etc.

Compliance with the legal requirements at all institutions is managed within the framework of the legal register, which is an essential component of our environmental management system.

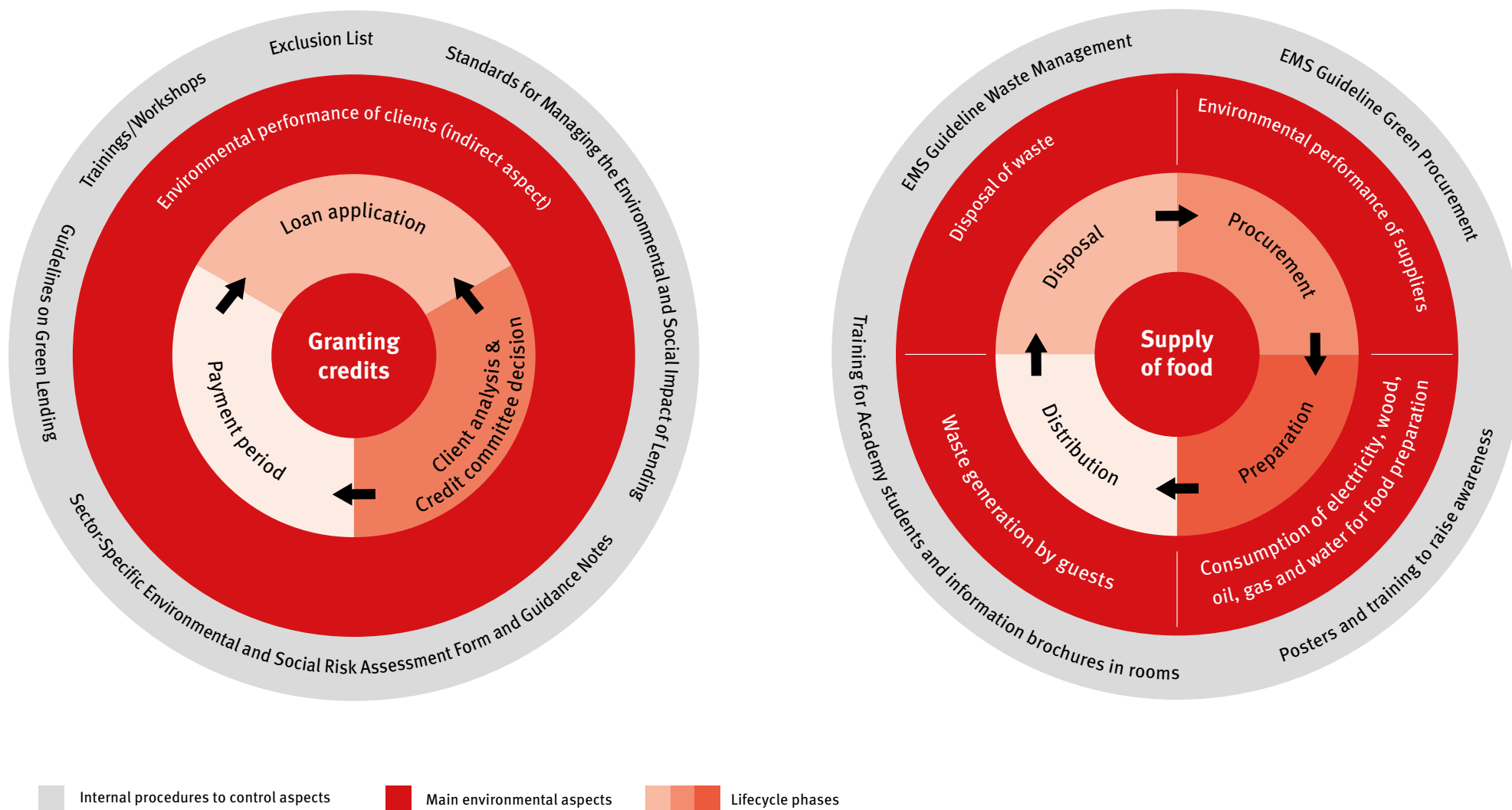


Figure 5: Lifecycle analysis of the granting of loans by ProCredit Bank Germany and catering for Academy guests

7 Current status of environmental aspects and impacts

Environmental aspects are elements or features of the business activities of an organisation that can have environmental impacts. Environmental aspects are categorised as direct and indirect. Direct environmental aspects are those associated with the activities, products and services of the organisation over which it has direct control. Paper consumption and the generation of waste or emissions, for example, can be considered direct aspects, as they are a direct result of the activities carried out on ProCredit premises and can therefore be controlled.

Indirect environmental aspects can result from the interaction of an organisation with third parties, which can be influenced by the organisation to a reasonable degree, such as the environmental performance of contractors, the procurement of office materials or food, etc. The environmental performance of the ProCredit banks is also an indirect aspect for ProCredit Holding, as is the environmental performance of clients for ProCredit Bank Germany.

In order to determine which direct and indirect environmental aspects of the ProCredit institutions are significant or insignificant, these are evaluated according to internally developed criteria. Each aspect is assessed in terms of its environmental relevance (low/medium/high). This is measured by the intensity of the respective aspect in comparison with the industry standard reference values or the national average (over time).

Furthermore, the environmental relevance of each aspect is calculated based on the degree of environmental impact caused. This assessment

takes into account the fragility of the local or global environment and the legal requirements related to each aspect.

The significance of an environmental aspect also depends on the degree of influence and control (low/medium/high) that the institutions have over the intensity of the environmental aspect.

The two dimensions mentioned – relevance and controllability – are presented in a matrix; the direct and indirect aspects must have at least medium relevance and a medium degree of controllability in order to be defined as a significant environmental aspect for an institution (see sections 6.1. and 6.2.). Higher priority is given to improvement measures for significant environmental aspects, as these feature greater degree of control for the potential environmental impacts.

Similarly, various key environmental indicators are compared to German and European averages as well as to the 2016 EMAS benchmarks for the tourism sector (annex 11.4). These comparisons are solely meant to give a general understanding of the success of the environmental management systems of the various institutions; therefore, the indicators used for comparison should not be understood as fixed targets, since our aim is to continuously improve the environmental performance wherever possible.

7.1 Direct aspects

The following section describes the most important direct environmental aspects of the ProCredit institutions in Germany. The relevance of the direct environmental aspects was determined, as described, by each institution in the context of the environmental assessment, and the results are presented in Figure 6. Of course, the environmental relevance and the de-

gree of control of the individual aspects vary from institution to institution due to the different business models and building situations. Compared to the first analysis in 2015, the weighting of aspects at the individual institutions has changed. Nevertheless, the consumption of paper, electricity, heating energy as well as waste production continue to be important aspects, albeit with different weightings at the individual locations. At PCA, the consumption of food is another significant aspect.

The result of the evaluation of direct environmental aspects for the institutions in 2018 is presented in tables 1-4. The red squares indicate significant environmental aspects.

Relevance				
		Low	Medium	High
Degree of control	High		• Office supply consumption • Water consumption • Electrical waste • Paper consumption	
	Medium	• Organic waste • Fuel consumption / emissions • Land use • Packaging waste	• Electricity consumption • Waste paper • Wastewater • Volatile emissions	• Heating energy consumption
	Low		• Residual waste	

Table 1: Significance matrix for direct environmental aspects of ProCredit Holding in Germany 2018

Relevance				
		Low	Medium	High
Degree of control	High	• Water consumption • Special waste • Office supply consumption • Electrical waste		
	Medium	• Packaging waste	• Heating energy consumption • Waste paper	• Paper consumption
	Low		• Electricity consumption • Residual waste • Cleaning material consumption	

Table 2: Significance matrix for direct environmental aspects of ProCredit Bank in Germany 2018

Relevance				
		Low	Medium	High
Degree of control	High	• Office supply consumption • Land use • Electrical waste • Hazardous waste	• Food consumption	
	Medium	• Organic waste • Heating energy consumption • Plastic waste • Emissions due to energy consumption	• Water consumption • Waste production	• Electricity consumption
	Low	• Wastewater generation	• Paper consumption • Fuel consumption / emissions	• Cleaning material consumption

Table 3: Significance matrix for direct environmental aspects of ProCredit Academy in Germany 2018

Relevance				
		Low	Medium	High
Degree of control	High	• Office supply consumption • Electrical waste		
	Medium	• Fuel consumption / emissions • Plastic waste • Cleaning material consumption • Volatile emissions	• Electrical waste • Waste paper • Heating energy consumption	• Paper consumption
	Low	• Land use • Food consumption	• Electricity consumption • Residual waste	• Water consumption

Table 4: Significance matrix for direct environmental aspects of Quipu GmbH in Germany 2018

Quantitative data are not available for all direct aspects, which is why estimates are sometimes used, e.g. for fat used in the Academy (details in the footnotes of the table). The environmental data are for the full calendar years 2016-2018.

Compared to the last complete environmental statement, data quality has been continuously improved as the majority of sources become measurements instead of estimates.

Due to the construction of the Academy's indoor swimming pool, the electricity consumption and waste volumes grew in autumn and winter 2018. However, we were able to mitigate the impact of these increases through process insourcing: the electricity used was produced from renewable sources, in part at PCA, and waste management was carried out through the systems in place at the Academy. Integrating these measures into our existing structures allowed us to achieve a lower overall environmental impact than if we had relied on external providers.

Table 5: Environmental parameters 2016-2018^{5, 6}

General data	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
General data																
Employees ⁷	No.	298	326	321	100	107	107	65	73	65	102	115	116	31	32	33
Employees	FTE	278	305	299	95	101	102	60	67	59	95	107	108	29	30	30
Total area ⁸	m ²	14,231	14,481	14,483	982	982	982	518	518	518	730	730	733	12,000	12,250	12,250
Heated area ⁹	m ²	10,708	10,708	10,723	2,390	2,390	2,390	1,421	1,421	1,421	2,229	2,229	2,243	4,669	4,669	4,669
Sealed area ¹⁰	m ²	11,584	11,834	11,835	954	954	954	503	503	503	514	514	516	9,613	9,863	9,863
Semi-natural (unsealed) area ^{10, 11}	m ²	2,647	2,647	2,648	28	28	28	15	15	15	216	216	217	2,387	2,387	2,387
Overnight stays	No.	23,983	26,616	23,115	–	–	–	–			–			23,983	26,616	23,115
Cars (petrol)	No.	2.4	1.6	0.0	0.9	–	–	–	–	–	–	–	–	1.5	1.6	0.0
Cars (diesel)	No.	6.6	6.6	6.0	–	–	–	–	–	–	2.0	2.0	2.0	4.6	4.6	4.0
Cars (electric)	No.	0.3	1.0	1.0	0.3	1.0	1.0		–	–	–	–	–	–	–	–

5) The data in the table refer to the total for the full year, apart from the data for employees, heated areas and cars, which refer to the average for each year.

6) In some areas the indicators for the 2016 and 2017 periods are not consistent with the published indicators in the Updated environmental statements for 2016 or 2017, as these have been updated in the meantime with the final data.

7) Data for employees represent the average for the respective year or the full-time equivalent and refer to all employees working in Germany, including participants in the staff exchange programme but excluding staff on maternity and parental leave. Quipu's data refer only to staff working at the Frankfurt headquarters.

8) The total area corresponds to the proportional floor space at the location, including the floor area of the building, the traffic area (paths and car park on the site), open spaces and semi-natural (unsealed) areas.

9) Data for heated area refers to office space, not including storage areas and parking spaces.

10) For rented areas, the proportion of sealed/unsealed areas was set based on the share in the total rented area at the location.

11) At the time of the preparation of this environmental statement, semi-natural (unsealed) areas were only located on the company's own or rented properties.

General data	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Energy																
Electricity generation (renewable) ¹²	kWh	46,936	50,392	77,010	–	–	–	–	–	–	–	–	–	46,936	50,392	77,010
Heating energy generation (renewable) ¹³	kWh	473,720	454,800	477,080	–	–	–	–	–	–	–	–	–	473,720	454,800	477,080
Total energy consumption	kWh	1,552,607	1,480,795	1,452,646	337,815	330,202	320,010	107,596	111,559	107,844	255,691	244,935	215,861	851,505	794,099	808,931
Electricity ¹⁴	kWh	469,393	460,823	394,978	112,832	108,586	84,716	66,146	62,924	55,908	104,677	100,049	84,830	185,738	189,264	169,524
Cooling energy ¹⁵	kWh	66,635	66,635	66,635	66,635	66,635	66,635	–	–	–	–	–	–	–	–	–
Heating energy	kWh	877,211	816,477	872,971	150,238	153,789	167,699	41,450	48,635	51,937 ¹⁶	136,554	132,302	115,744	548,969	481,751	537,592
Heating energy (weather adjusted) ¹⁷	kWh	991,192	936,414	1,095,209	177,281	184,547	219,686	48,911	58,362	68,037	161,134	158,762	151,625	603,866	534,743	655,862
Liquid gas for cooking	kWh	10,202	12,557	10,202	–	–	–	–	–	–	–	–	–	10,202	12,557	10,202
Fuel	kWh	129,359	124,303	107,859	8,303	1,191	959	–	–	–	14,460	12,584	15,287	106,596	110,528	91,613
Air travel	km	2,535,059	2,815,989	2,668,709	962,206	1,050,135	964,293	168,371	241,370	195,534	1,105,070	1,310,113	1,399,905	299,412	214,371	108,977
Road travel	km	167,550	150,475	112,895	15,832	6,927	5,578	–	–	–	16,733	16,811	18,569	134,985	126,737	88,748

12) Electricity is generated using PV systems.

13) Heating energy is generated at PCA from wood pellets.

14) Excluding electricity for PCH's electric car. That amount is included under "Fuel".

15) Cooling energy data are only available for PCH; for the other institutions, it is included in electricity consumption. The amounts charged by the landlord are presented in this field. These have so far been estimates. The installation of meters is planned for 2020.

16) A heating energy meter was defective. Therefore, this value is partially estimated.

17) The climate factors for weather adjustment of heating energy data can be found in Annex 11.3.

General data	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Printer paper																
Total	kg	3,428	3,440	3,442	1,359	1,151	955	609	370	270	288	336	295	1,172	1,584	1,922
Recycled	kg	2,125	2,564	2,488	1,359	1,151	955	609	370	270	142	336	295	15	708	968
FSC certified	kg	1,157	876	954	–	–	–	–	–	–	–	–	–	1,157	876	954
Non–recycled	kg	147	–	–	–	–	–	–	–	–	147	–	–	–	–	–
Water																
Water consumption	m³	7,271	7,613	7,126	874	810	692	617	673	655	666	800	845	5,114	5,329	4,934
Waste ¹⁸																
Total	kg	96,655	94,094	70,807	21,857	9,565	6,858	13,218	13,938	3,563	6,700	15,321	11,917	54,880	55,270	48,469
Residual waste	kg	27,396	17,751	10,097	10,125	677	1,015	6,826	6,826	623	4,173	1,495	747	6,272	8,752	7,712
Waste paper	kg	16,384	21,370	16,583	5,823	5,103	4,237	2,878	3,479	1,781	1,996	7,782	5,365	5,687	5,006	5,200
Plastic	kg	10,096	10,205	7,593	4,554	460	458	2,708	2,708	280	129	4,860	4,860	2,705	2,178	1,995
Organic	kg	34,161	38,717	32,602	1,355	1,112	992	806	806	610	–	–	–	32,000	36,800	31,000
Grease ¹⁹	kg	8,000	2,400	2,400		–	–	–	–	–	–	–	–	8,000	2,400	2,400
Used fat	kg	216	54	162		–	–	–	–	–	–	–	–	216	54	162
Electronic	kg	402	3,597	1,370	–	2,214	156	–	119	269	402	1,184	945	–	80	–
Emissions ²⁰																
Total CO ₂ eq emissions	t	784	880	837	335	357	314	52	75	62	249	357	383	147	91	78
Total CO ₂ eq emissions (minus offsets)	t	534	497	439	335	357	314	13	12	13	39	37	34	147	91	78

18) Since 2017, Quipu has had separate disposal containers for packaging and paper waste.

19) Data for waste from the grease trap are calculated based on the volume of the storage containers and the number of pick-ups that are made.

20) Conversion factors for emissions are stated in Annex 11.1. Only the CO₂ eq emissions could be obtained from the electricity supplier. All other emissions data were obtained using the GEMIS mo-

del, taking as a basis the average German energy mix. The GEMIS model provides a very conservative estimate, since all of the ProCredit locations in Germany obtain an energy mix from energy suppliers with an above-average proportion of renewable energy sources. Total emissions include CO₂, CH₄, N₂O, HFC, PFC, NF₃ and SF₆ emissions.

General data	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Electricity (incl. cooling energy) ²¹																
CO ₂ eq	t	45	–	–	43	–	–	2	–	–	1	–	–	–	–	–
SO ₂	kg	32	–	–	30	–	–	2	–	–	–	–	–	–	–	–
NO _x	kg	48	–	–	46	–	–	2	–	–	–	–	–	–	–	–
Particulate matter	kg	2	–	–	2	–	–	–	–	–	–	–	–	–	–	–
Heating ²²																
CO ₂ eq	t	106	92	103	38	38	42	10	12	13	34	33	29	24	9	19
SO ₂	kg	26	12	21	2	2	2	–	1	1	2	2	1	21	8	17
NO _x	kg	77	68	75	28	29	31	8	9	10	25	25	22	16	6	13
Particulate matter	kg	4	3	4	1	1	1	–	–	–	1	1	1	2	1	2
Business travel																
CO ₂ eq fuel	kg	40,378	38,505	33,460	2,535	–	–	–	–	–	4,520	3,939	4,785	33,323	34,566	28,675
CO ₂ eq air travel (direct)	kg	231,605	280,415	259,369	96,497	118,826	10,530	15,515	25,251	18,410	83,461	118,935	129,509	36,132	17,403	10,920
CO ₂ eq air travel (indirect)	kg	357,941	465,170	438,612	156,238	199,864	171,222	24,355	37,285	30,862	126,350	201,313	219,933	50,998	26,708	16,595
Cooking gas																
CO ₂ eq	t	3	3	3	–	–	–	–	–	–	–	–	–	3	3	3
SO ₂	kg	1	1	1	–	–	–	–	–	–	–	–	–	1	1	1
NO _x	kg	2	2	2	–	–	–	–	–	–	–	–	–	2	2	2
Particulate matter	kg	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

21) Emissions from the electricity consumption of the Academy and Quipu are considered zero as these institutions have a contract with a renewable energy supplier. Since June 2016, this also applies for the premises of ProCredit Bank Germany, and since August 2016, for those of ProCredit Holding.

22) Due to the renewable origin of the input material, pellet heating at the Academy is considered to have zero emissions; the emissions shown arise from the oil heating system that serves as a back-up for the pellet heating system.

Table 6: Core annual indicators for 2016 - 2018 in accordance with EMAS IV²³

Indicator	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Energy																
Total energy/employee	kWh/FTE	5,579	4,855	4,865	3,556	3,249	3,141	1,807	1,678	1,841	2,695	2,291	2,002	29,464	26,382	26,697
Heating energy/employee (weather adjusted)	kWh/FTE	3,562	3,073	3,668	1,866	1,823	2,156	822	878	1,161	1,698	1,485	1,406	20,895	17,766	21,646
Heating energy/surface area (weather adjusted) ²⁴	kWh/m²	93	87	102	74	77	92	34	41	48	72	71	68	129	115	140
Fuel/employee	kWh/FTE	465	408	361	87	12	9	–	–	–	152	118	142	3,688	3,672	3,024
Share of renewable energy (electricity, cooling and heating energy)	%	64	67	67	30	29	35	57	56	52	43	43	42	90	94	90
Share of renewable energy (electricity) per employee	kWh/FTE	1,525	1,512	1,323	769	1,072	831	1,022	946	954	1,103	936	787	6,427	6,288	5,595
Share of renewable energy (heating energy) per employee	kWh/FTE	1,702	1,492	1,598	–	–	–	–	–	–	–	–	–	16,392	15,110	15,745
Materials																
Print paper/employee	kg/FTE	12	11	12	14	11	9	10	6	5	3	3	3	41	53	63
Print paper/overnight stay	kg/night	0.05	0.06	0.08	–	–	–	–	–	–	–	–	–	0.05	0.06	0.08
Water																
Water/employee	m³/FTE	26.1	25.0	23.9	9.2	8.0	6.8	10.4	10.1	11.2	7.0	7.5	7.8	177.0	177.0	162.8
Water/overnight stay	m³/night	0.21	0.20	0.21	–	–	–	–	–	–	–	–	–	0.21	0.20	0.21

23) Starting with this environmental statement, full-time equivalents (FTE) have been used to improve comparability.

24) As most of the buildings are rented, the heated area is indicated in order to facilitate comparisons.

Indicator	Unit	Total			ProCredit Holding			ProCredit Bank			Quipu			ProCredit Academy		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Waste																
Total waste/employee	kg/FTE	347	309	237	230	94	67	222	210	61	71	143	111	1,899	1,836	1,600
Total waste/overnight stay	kg/night	2.3	2.1	2.1	–	–	–	–	–	–	–	–	–	2.3	2.1	2.1
Emissions																
Total CO ₂ emissions/employee	tCO ₂ eq/FTE	2.8	2.9	2.8	3.5	3.5	3.1	0.9	1.1	1.1	2.6	3.3	3.6	5.1	3.0	2.6
Total CO ₂ emissions (excluding offsets)/employee	tCO ₂ eq/FTE	1.9	1.6	1.5	3.5	3.5	3.1	0.2	0.2	0.2	0.4	0.3	0.3	5.1	3.0	2.6
Total CO ₂ emissions/overnight stay	kgCO ₂ eq/night	6.1	3.4	3.4	–	–	–	–	–	–	–	–	–	6.1	3.4	3.4
Biodiversity																
Heated area ²⁴ /employee	m²/FTE	38	35	36	25	24	23	24	21	24	23	21	21	162	155	154
Total area/employee	m²/FTE	51	48	49	10	10	10	9	8	9	8	7	7	415	407	404
Sealed area/employee	m²/FTE	42	39	40	10	9	9	8	8	9	5	5	5	333	328	326
Unsealed area/employee	m²/FTE	10	9	9	<1	<1	<1	<1	<1	<1	2	2	2	83	79	79

7.1.1 Total energy consumption

In terms of absolute total energy consumption, compared to the last year a reduction of almost 2% was achieved. The energy evaluation in the following sections is based on the source (heat, electricity, fuels). Quipu and ProCredit Bank Deutschland are below the EMAS benchmark²⁵ for office buildings (100 kWh/m²), with values of 96 kWh/m² and 76 kWh/m², respectively. ProCredit Holding was able to achieve an improvement of 3% compared to 2017, but at 134 kWh/m² it is well above the EMAS benchmark.

7.1.2 Heat energy usage

Overall, weather-adjusted heat energy consumption in 2018 increased by 17% compared with the previous year, with only Quipu achieving a reduction (4%). The Academy had the greatest impact with an increase of 23%, followed by PCH with 19% and PCB with an increase of 17%. The increased values for PCB and PCH are due to maintenance errors in the heating system in the building. ProCredit is in close contact with the landlord in order to strive for the most energy-efficient results possible in the future. The increase in PCA is also due to a maintenance error.

Compared to the 133 kWh/m²*a²⁶ German national average for office buildings, the weather-adjusted specific heating energy consumption of ProCredit Holding (92 kWh/m²*a), ProCredit Bank Germany (48 kWh/m²*a) and Quipu (68 kWh/m²*a) were significantly lower. The consumption at ProCredit Academy (140 kWh/m²*a) was slightly above the 136 kWh/m²*a²⁷ average for hotels in Germany, but lower than the environmental performance indicator of 180 kWh/m²*a according to EMAS²⁸.

With respect to the number of employees,²⁹ this translates to 2,048 kWh/

pp for ProCredit Holding, 1,049 kWh/pp for ProCredit Bank Germany and 1,308 kWh/pp for Quipu. In comparison, the national average for office buildings is 5,463 kWh/pp³⁰.

At 20,180 kWh/pp²⁹, the 2018 consumption at ProCredit Academy was above the average for the German hotel sector (18,269 kWh/pp)³⁰. When viewed in the context of the number of overnight stays, the heating energy consumption of the Academy (28 kWh/night) is in line with the corresponding value for hotels in Germany (28 kWh/night²⁷).

PCA produces 89% (477,080 kWh), of its thermal energy from renewable sources (wood pellets). Compared to the previous year (454,800 kWh), total production increased by 5% but the renewable share also decreased by 5 percentage points. This was partly due to increased oil consumption in connection with required maintenance on the pellet heating system in the main building.

25) EMAS 2019: Reference document on Best Environmental Management Practice in the Tourism Sector, incl. indicators for environmental performance and benchmarks of excellence for the public administration sector.

26) dena 2016: Energy efficiency of office buildings

27) Hotel und Energy 2015: Energy consumption and energy efficiency in hotel sector

28) EMAS 2016: Reference document on Best Environmental Management Practice, incl. indicators for environmental performance and benchmarks of excellence for the tourism sector.

29) In order to improve comparability, the figures shown here refer to the number of employees. Based on the full-time equivalents (FTEs), the following values result: 2,156 kWh/FTE (PCH), 1,161 kWh/FTE (PCB), 1,406 kWh/FTE (Quipu), 21,646 kWh/FTE (PCA)

30) BMWi 2015: Energieverbrauch des Sektors Gewerbe, Handel, Dienstleistungen (GHD) in Deutschland für die Jahre 2011 bis 2013

7.1.3 Electricity consumption and generation

Overall, electricity consumption was reduced by 14% for the ProCredit institutions in Germany, thanks to the good results achieved individually; each institution was able to save at least 10% in electricity: ProCredit Holding (-22%), Quipu (-15%), ProCredit Bank (-11%) and Academy (-10%). The goals set for 2018 were also met and exceeded by all institutions. At the Academy, this was achieved with the newly installed PV system at the guest house, which produced electricity for its own consumption starting from January 2018.

With this new system, solar energy returns from PV cells at ProCredit Academy increased by 53% in 2018 to 77,010 kWh, thereby covering 45% of electricity consumption at the Academy.

In terms of specific electricity consumption, all of our office-based institutions³¹ are well below the national average of 2,177 kWh/pp³⁰ for comparable businesses in Germany. The Academy's electricity consumption of 5,216 kWh/pp remained below the national average of 7,829 kWh/pp³⁰ for the hotel sector; at 36 kWh/m² it was likewise well below the EMAS benchmark²⁸ of 80 kWh/m². With respect to accommodations booked, electricity consumption of 7.3 kWh/night was below the comparison value of 12 kWh/night²⁷.

7.1.4 Fuel consumption of company-owned vehicles

Overall, fuel consumption declined by 13%, particularly as the trips for ProCredit Holding and the Academy decreased. It is noteworthy that PCH was able to significantly reduce its fuel consumption for the second year in succession (2017 -85%; 2018 -19%). Fuel consumption for diesel vehicles at Quipu GmbH increased by 21% compared to the previous year.

In the case of the Academy, the 17% reduction in consumption can be explained by the sale of the petrol vehicle and the increasingly efficient use of the four remaining diesel vehicles.

7.1.5 Emissions

Overall, the business activities of the ProCredit institutions (business trips, consumption of electricity, heat and cooking gas) in Germany produced 837 t CO₂ eq in 2018. This corresponds to a decline of 5% compared to the previous year. As in the previous year, most of the direct and indirect emissions are due to the use of flights for international travel. The flight kilometres recorded for PCH, Academy and PCB have in some cases fallen significantly. The Academy was even able to almost halve its flight kilometres (-49%). Only Quipu showed an increase (7%).

The emissions from heating energy consumption (incl. cooking gas and pellet heating at the Academy) account for around 13% of the total emissions for the institutions. Emissions from the use of motor vehicles represent, as last year, 4%. Due to the selection of suppliers of electricity from renewable energy sources, consumption is now 100% CO₂ neutral. Per FTE emissions fell slightly, from 2.9 to 2.8 t CO₂ eq, back to the level recorded for 2016.

³¹) In order to improve comparability, the figures shown here refer to the number of employees. Based on the full-time equivalents (FTEs), the following values result: 831 kWh/FTE (PCH), 954 kWh/FTE (PCB), 787 kWh/FTE (Quipu), 5,595 kWh/FTE (PCA)

Despite the intensive use of alternative communication channels, such as video conferencing and VoIP, it is not possible to make large cuts in air travel without impacting our internationally oriented business activities. The institutions are continuing to conduct an internal review of the options available for carbon offsetting. Quipu has already taken the first steps in this direction, offsetting CO₂ emissions via Atmosfair in 2017 and 2018 (56t and 83t CO₂, respectively).

7.1.6 Food consumption

Food will continue to be purchased for all four institutions in compliance with environmental and social criteria such as regional origin, eco- or Fair Trade certification. At the Academy, the list of foods that are sourced from organic and/or regional farms is being expanded wherever possible. The guidelines on sustainable procurement, currently still under development, will set more precise standards for suppliers and service providers, and thus also for the procurement of food.

7.1.7 Water consumption

Total water consumption decreased by 6%. This is due to the efficiency-enhancing measures at ProCredit Holding (-15%), ProCredit Bank (-3%) and also at the Academy (-7%), even though the latter was heavily irrigated in the dry summer of 2018. Quipu, on the other hand, used 6% more water. However, average water consumption per employee fell by 5%.

In the office-based institutions, the average consumption per person³² in 2018 is now 6.8 (PCH), 11.2 (PCB) and 7.8 (Quipu) m³/FTE and thus in some cases well above the EMAS benchmark of 6.4 m³/FTE²⁵. At the Academy, water consumption per overnight stay increased by 7%. This is largely due to the first filling of the pool during construction in December 2018 as well as

the dry summer. Here, the water consumption level of 0.21 m³/night is above the EMAS benchmark for accommodation businesses²⁸ (0.14 m³/night), yet still well below the European average of 0.40 m³ per overnight stay³³.

7.1.8 Printer paper consumption

Paper consumption was maintained at 2017 levels, due in particular to the efficiency measures implemented by PCH, PCB and Quipu, reducing their consumption by 17%, 27% and 12%, respectively. In contrast, the Academy reported an increase in consumption by 21%.

As a result, paper consumption per employee remained stable at 11 kg/FTE. In 2018, all printer paper continued to be sourced from recycled or FSC-certified sources.

7.1.9 Waste generation

Overall, waste generation stood at 71 tonnes for the year, a decline of 25% compared to the 2017 level. Reductions were achieved for all waste types. In particular, the measures at ProCredit Bank led to a waste reduction of 74% there. The waste-weighing campaigns introduced in 2017 were repeated in order to measure the progress from the measures and thus make the successes visible.

The total waste amount per employee was also reduced by 23% on average, with ProCredit Bank reporting a strong decrease of 71%. Overall, with an average of 80 kg of waste per FTE, all office-based locations are well below the EMAS benchmark of 200 kg/FTE²⁵.

32) In order to improve comparability, the figures shown here refer to FTE. In terms of the number of employees (per person), the following values were obtained: 6.5 L/pp (PCH), 10.1 L/pp (PCB), 7.3 L/pp (Quipu), 151.8 L/pp (PCA)

33) ECOTRANS e.V. 2006: Environmental performance of European tourism companies

In 2018, waste from construction measures was again disposed of through the waste system of ProCredit Academy. Nevertheless, the Academy reduced residual waste by 12% to 7,721 kg in 2018. At 0.33 kg/overnight stay, the Academy's residual waste generation still exceeds the 2016 EMAS benchmark of 0.16 kg/night²⁸, although it is far below the European average of 1.0 kg/OS³³.

7.1.10 Land use

In 2018, there were several changes in land usage as part of the construction measures for the Academy's indoor swimming pool:

- Trees from the construction area were relocated to the newly created wild meadows on the Academy grounds
- The newly acquired space of 250 m² was built on. The pool was completed in March 2019 and will therefore be included in detail in the next environmental statement.

Overall, the spaces at the other locations remained largely unchanged. Only Quipu rented a new space in the basement of the building (as described in section 2.2.4).

7.2 Indirect aspects

The daily operations of the ProCredit banks (including PCB Germany) indirectly impact the environment in various ways. The most important factor is the credit portfolio of the banks, with a special focus on green loans and the environmental and social risks that are taken into account in lending. ProCredit Holding plays a particularly important role in the context of indirect environmental aspects, since as a parent company it has a major influence on the adaptation of strategies, processes and standards of the entire group with regard to environmental protection and sustainability. In this context, the environmental performance of the other ProCredit institutions can also be seen as an indirect environmental aspect of ProCredit Holding.

The involvement of ProCredit Holding and all ProCredit banks in the area of green finance has contributed to a significant reduction in worldwide CO₂ emissions through customer investments in energy efficiency and renewable energy.

In addition, all ProCredit institutions manage their indirect impact on the environment through special criteria for procurement and supplier management, employee training and internal campaigns to raise environmental awareness.

The matrices below illustrate the different levels of control and environmental relevance of these aspects at the four ProCredit institutions in Germany. Our significant indirect environmental aspects are represented by the boxes in red. The methodology of the matrix and the definition of the significant environmental aspects are explained at the beginning of this section.

Relevance				
		Low	Medium	High
Degree of influence	High		• Supplier management & procurement	• Loan portfolio of ProCredit banks
	Medium		• Environmental performance of ProCredit institutions	
	Low			• Aircraft emissions

Table 7: Significance matrix for indirect environmental aspects of ProCredit Holding in Germany 2018

Relevance				
		Low	Medium	High
Degree of influence	High			
	Medium	• Supplier management & procurement • Influence of the external IT provider		• Aircraft emissions
		• Fuel consumption/ emissions by staff on way to work		• Loan portfolio of ProCredit banks

Table 8: Significance matrix for indirect environmental aspects of ProCredit Bank Germany 2018

Relevance				
		Low	Medium	High
Degree of influence	High		• Supplier management & procurement	
	Medium		• Influence of cleaning company	
	Low	• Influence of advice on occupational safety and health protection • Influence of security company	• Influence of travel agency • Electricity consumption of external server	• Aircraft emissions

Table 9: Significance matrix for indirect environmental aspects from Quipu in Germany 2018

Relevance				
		Low	Medium	High
Degree of influence	High			• Supplier management & procurement
	Medium		• Influence of construction company	
	Low	• Fuel consumption/ emissions by staff on way to work • Influence of IT company • Influence of security company • Influence of advice on occupational safety and health protection		

Table 10: Significance matrix for indirect environmental aspects of ProCredit Academy in Germany 2018

Compared to the analysis of indirect aspects in 2015, many changes took place:

- The institutions developed their own matrix and their own site-specific significant aspects
- Flight emissions can now be found in the indirect aspects

Based on the specific matrices, it can be seen that supplier management & procurement is significant across all locations. In addition, environmental performance of loans and of the ProCredit banks is generally significant at ProCredit Holding, as are flight emissions at ProCredit Bank Germany. Based on the identified significant aspects, environmental measures have been and continue to be defined and implemented.

7.2.1 Green Loan Portfolio

The PCBs offer specialised loans for investments in energy efficiency, renewable energies and other environmentally friendly technologies and activities, as part of our aim to promote economic development that is as environmentally and socially sustainable as possible. To this end, we use a list of defined standard measures that have a significant positive impact on the environment.

Figure 6 shows the development of the green loan portfolio between 2014 and 2018. The green loan portfolio continued to grow during the period, from EUR 489 million in December 2017 to EUR 678 million in December 2018. By the end of 2018, these loans accounted for 15.4% of the overall portfolio, exceeding our target from the previous year; our medium-term target is to reach 20%.

Figure 7 provides a breakdown of the green loan portfolio. In December 2018, 69% of the portfolio consisted of investments in energy efficiency, 10% in renewable energies and 21% in environmentally friendly technologies/environmental protection measures. The composition thus remained largely unchanged compared to 2017 (67%, 11% and 22%, respectively).

An EMS workshop was held in April 2018 with a focus on further developing the E&S risk management system and green investments. Ongoing, in September 2018 a Green Finance Seminar was held in which at least one management board member from every bank participated and strategic topics were addressed.

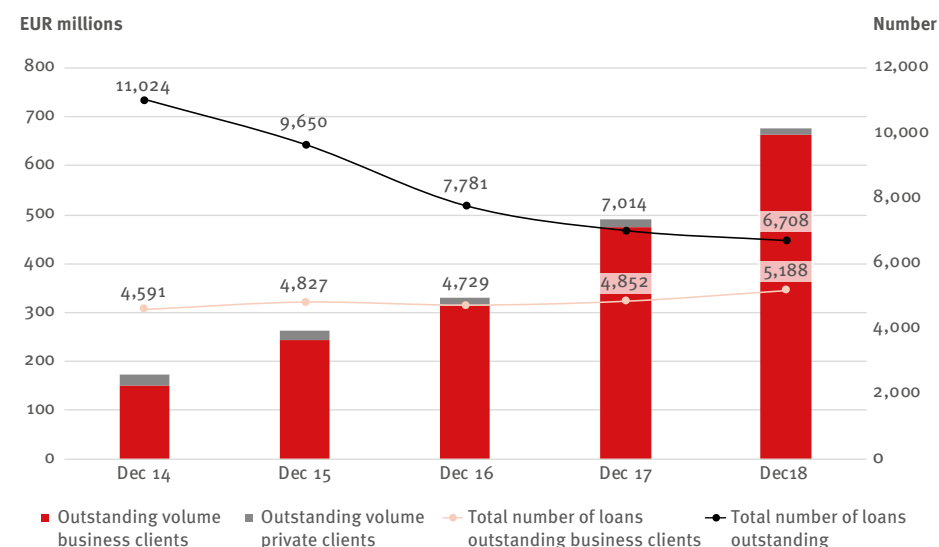


Figure 6: The ProCredit group's outstanding green loan portfolio for private and business clients, 2014-2018

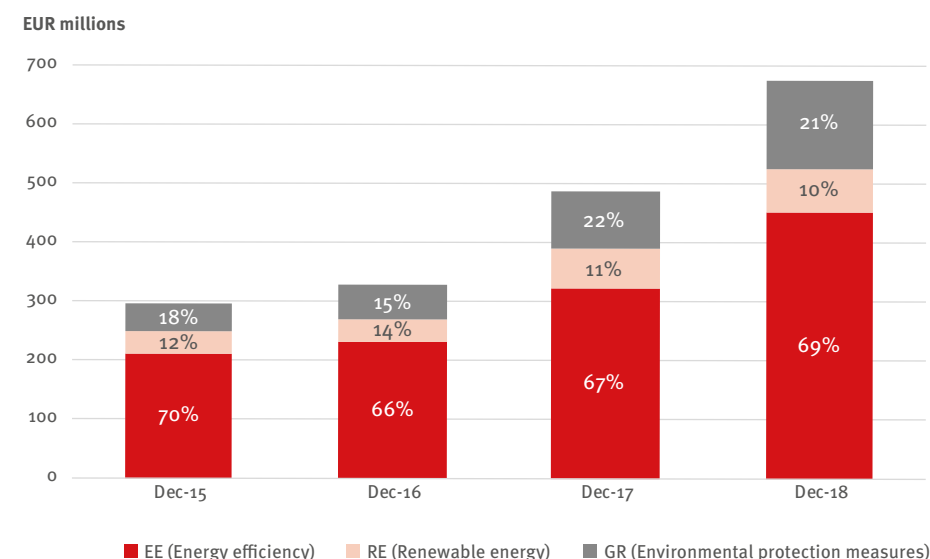


Figure 7: The ProCredit group's outstanding green loan portfolio, broken down by investment type, December 2015 – 2018

7.2.2 Environmental and social risk assessment

In addition to performing a business analysis, we also assess our clients in terms of the impact their activities have on society and the environment. We have been analysing our clients in this way since the very beginning of our banking activities. We work with companies that do not endanger the environment nor the health, safety or welfare of employees or neighbours. All borrowers must comply with the relevant national legislation regarding environmental protection, health and safety at work. In this way, ProCredit banks evaluate potential environmental and social risks that may arise from the business activities of our customers.

Our exclusion list is part of the environmental and social risk assessment, which is the second pillar of our environmental management system (see also section 5.1). This list features activities that we do not finance and is based on both international and local standards that are binding for all investments. After checking against the exclusion list, the next step is to individually assess customer activities for potential risks (low, medium or high) regarding the environment, health and safety. Customer activities with a medium or high environmental and social risk are individually reviewed and evaluated in accordance with the respective international standards. Every business customer, regardless of the assigned risk category, is also examined and evaluated with regard to workplace safety and working conditions. Depending on the potential environmental, social and credit risk, an external, independent environmental and social impact assessment is also requested.

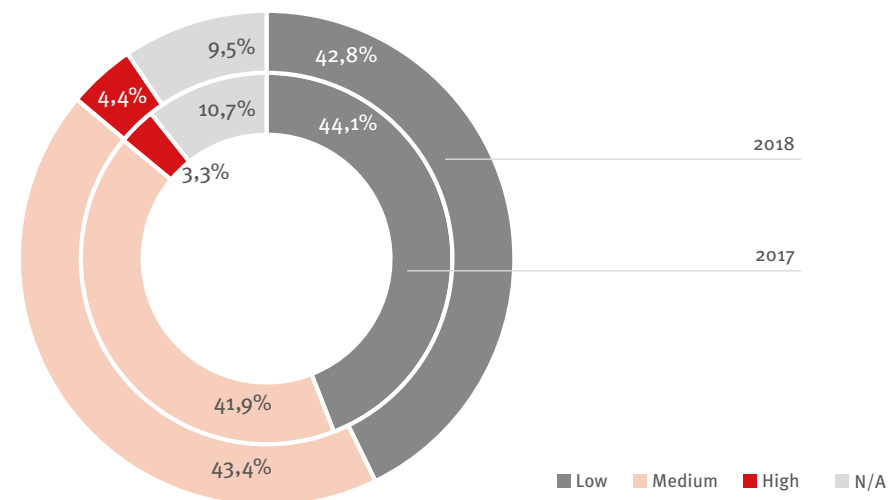


Figure 8: Development of business and agricultural loan portfolios, by environmental and social risk class

Based on the results of the environmental and social risk assessment, we also have the opportunity to talk to our customers about improvements in their environmental performance, thus reducing environmental impacts and promoting sustainable development for our customers.

In order to actively counteract the negative environmental impact of using plastics, the ProCredit group is working to avoid unnecessary or irresponsible use of plastic products and to actively avoid plastic waste. To support this activity with our ideals and values as the ProCredit group, in 2018 we began to develop a plastic strategy that encompasses all three pillars of the EMS. As a first step, the environmental and social risk category of plastic production was raised to high in mid-2019.

7.2.3 Procurement and supplier management

The ProCredit institutions are increasingly incorporating environmental criteria into the procurement process with the aim of attracting environmentally friendly suppliers of office materials, equipment and food. The procurement guidelines in turn lead to increased environmental awareness on the part of the partner companies. Our policies enable us to ensure that the products we purchase are made from the most environmentally friendly materials available on the market. The guidelines were revised in 2019 in line with the group's medium-term goal of selecting at least 50% of partner companies according to sustainability criteria.

While the procurement of office supplies, paper and electronic equipment is relevant to all institutions, the purchase of food is of particular importance to the Academy. Environmental criteria for the purchase of food have been established so that whenever possible, regional and/or organically produced food is preferred.

In addition, supplier management plays an important role in procurement. Sustainable suppliers must meet a number of criteria, such as the supply of environmentally friendly products, an implemented environmental management system, short delivery routes or minimal packaging, in order to be treated as such by ProCredit.

7.2.4 Staff awareness

The successful introduction of the EMS and the good results of 2018 are inextricably linked with the training of our employees. The close involvement of employees and their active participation in all ProCredit institutions are decisive for the success of environmental management. Active participation and employee training are not limited to environmental management, but are

part of ProCredit's overall corporate culture. From the ProCredit Onboarding Programme to the three-year ProCredit Academy programmes, the environment is an integral part of all internal training activities.

An introductory course, the ProCredit Onboarding Programme, is organised for all new employees, with training in environmental protection and energy efficiency firmly established in its curriculum. Senior and middle managers of all banks are trained on this topic in special courses which take place in the regional ProCredit Training Centre in North Macedonia and in the ProCredit Academy in Fürth. The courses raise staff awareness about our values and prepare them for their future role as multipliers of our common principles, such as environmental management. Regular intensive training courses, seminars and events are also organised in the ProCredit institutions in order to raise the environmental awareness of employees and customers.

The ProCredit institutions use different communication channels for this purpose. In addition to the aforementioned training courses and events, we also use newsletters, information brochures, internal publications, intranet pages, stickers and posters that present best practices for the careful use of resources or report the results of successful measures. The internal publications and intranet pages serve not only to raise environmental awareness, but also to keep employees informed about global environmental issues.

8 Environmental objectives and programmes (2018–2019)

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Electricity consumption 2018					
Reduce electricity consumption by 8% per m² compared to previous year	PCB Germany	PCB lights replaced with LED where possible	Electricity consumption per m²	Completed	Electricity consumption decreased by more than 11% compared to 2017 (kWh/m²)
Keep electricity consumption stable at 2017 level until 2020, including electricity produced on site	PCA	Continuously replace defective circulation pumps with electricity-saving pumps	Electricity consumption minus electricity produced/overnight stay	Ongoing	Overall, a reduction of 2% was achieved, down to 731,921 kWh from 743,707 kWh in 2017, taking PV systems into account.
		Increase energy awareness of the guests through communication measures (all new groups receive an introduction to the EMS) and carry out spot checks of the rooms		Instruction on arrival by the facility manager.	
		Replace lighting with LEDs in Language Centre		Ongoing	
		Install further PV cells for own use		Completed	
Reduce electricity consumption by 6% per m² compared to previous year	PCH	Reduce number of printers, replace old printers with multifunctional devices, implement follow-me printing systems	Electricity consumption per m²	Postponed to 2019	Despite postponement of two measures to 2019, electricity consumption fell by 22% and the target was thus met and far exceeded.
		Analyse how motion detectors in hallways can be used better		Completed	
		Determine real consumption of air-conditioning systems		Postponed to 2019	
Electricity consumption 2019					
Keep electricity consumption stable at 2017 level until 2020, including electricity produced on site	PCA	Continuously replace defective circulation pumps with electricity-saving pumps	Electricity consumption minus electricity produced/overnight stay		
		Raise awareness of guests through communication measures (all new groups receive introduction to EMS) and random checks of the premises.			
		Replacement of lighting in Language Centre and installation of LEDs (72 lamps, 7 watts to 3.5 watts)			

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Reduce overall electricity consumption by 6%	PCH	Replace existing multifunction devices with newer models with enhanced functionality and higher energy efficiency. Where possible, remove the remaining small printers, or replace them with more energy-efficient models that can print double-sided.	kWh		
		Introduction of “follow-me” printing			
		Determine power consumption of air conditioning system			
Greenhouse gas emissions 2018					
Offset emissions from flights	Quipu	Offset flight emissions with Atmosfair certificates	Certificates	Ongoing	Proportional offset for flights, 83.4t CO ₂
Reduce the CO ₂ footprint	PCB Germany	Reduce carbon emissions to the minimum and offset remainder with firstclimate	kg CO ₂ eq	Not completed	Postponed to 2019, implemented in the first quarter of 2019 with offsetting of all CO ₂ emissions from 2018 onwards
By end-2019, reduce CO ₂ emissions of vehicles by 10% compared to previous year	PCA	Replace diesel cars with electric vehicles	kg CO ₂ eq from fuel consumption in y-o-y comparison	Ongoing	The first e-car was added to the fleet in Jan 2019

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Research group-wide solution to offset flight emissions	PCH	Investigate feasibility of a concept for offsetting group flight emissions	Decision to develop a group-wide concept	Ongoing	In October 2018, ProCredit Holding and PCB Kosovo initiated a project to build a 3 MW PV plant in Kosovo. After completion, it is estimated that the plant will offset 30% of the group's CO ₂ emissions
Improve data recording		Check method for recording flight emissions data	Data collected on consumption to be entered, by the 15th of following month at the latest, into the IEMS tool.	Postponed to 2019	
Greenhouse gas emissions 2019					
Reduce CO ₂ footprint of banks	PCB Germany	Become a climate-neutral bank	kg CO ₂ eq		
Offset up to 30% of emissions from air travel	Quipu	Offset emissions with atmosfair	kgCO ₂ eq offset		
Become CO ₂ -neutral with regard to building emissions (heat/electricity)	PCH	Change heating gas supplier to a renewable energy supplier	(yes/no)		
Improve data recording		Check method for recording flight emissions data	(yes/no)		
Reduce CO ₂ emissions from company cars	PCA	New vehicles to be hybrid or electrically powered	Invoice		
Construction of a climate-neutral swimming pool		The planned pool should not increase the CO ₂ emissions of PCA Connection to the pellet boiler and installation of an additional efficient gas boiler as backup as well as PV systems.	CO ₂ footprint of buildings (electricity and heating energy) in tCO ₂		
Use of biogas to reduce CO ₂ emissions from heating		Biogas is produced by fermenting biomass and is chemically identical to natural gas. Its CO ₂ emissions are at least 50% lower than those of natural gas.	CO ₂ footprint of buildings (electricity and heating energy) in tCO ₂		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Fuel consumption 2019					
40% reduction in car fuel consumption (1,503 litres in 2018)	Quipu	Purchase and use of electric cars to replace diesel vehicles	Litres of fuel		
Food consumption 2018					
Reduce ecological footprint of food consumption	PCA	Offer two vegetarian options per meal	Meal plan	Ongoing	
Food consumption 2019					
Reduce ecological footprint of food consumption	PCA	Offer two vegetarian options per meal	Meal plan		
Paper consumption 2018					
By 2018, reduce paper consumption by 10% compared to previous year	Quipu	Paper consumption optimisation measures: • Use ERP solution that enables electronic use of financial documents • Project for use of digital signature in contract initiation at PCH level	Paper consumption	Completed	Paper consumption reduced by 12% (2019 = 294.99 kg total printing paper)
Reduce paper consumption by 5% compared to previous year	PCB Germany	Increase process efficiency and awareness	Paper consumption per employee	Completed	Number of printouts decreased by more than 28% compared to 2017
By 2019, reduce paper consumption by 10% compared to previous year	PCH	Analyse possibilities to introduce digital signatures	Paper consumption per employee	Completed	Printing paper consumption reduced by 17% to 955 kg
Paper consumption 2019					
Reduce paper consumption per employee (printouts) by 5%	PCB Germany	Reduce paper consumption through process efficiency and awareness	Number of printouts compared to 2018		
Paper consumption	Quipu	Maintain same paper consumption as 2018 (295 kg)	kg paper waste		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Gradual 10% reduction in printing paper consumption by the end of next year	PCH	Use digital signatures	kg		
		Improve reporting through new equipment and support for more consistent and detailed reporting capabilities			
		Less paper printed, due to improved functionality of new printers			
Reduction of printing paper consumption compared to 2018	PCA	Introduce digital distribution of teaching materials for laptops and tablets	kg printing paper ordered (annual average)		
Water consumption 2018					
Keep water consumption at 2017 levels through 2020	PCA	Replace toilet flush with more efficient model	Water consumption/ overnight stay	Completed	Successful: reduction of 7% to 4,934 m³ water consumption in 2018, compared to 5,329 m³ in 2017
		Replace washing machine with more efficient model		Completed	
Water consumption 2019					
Keep water consumption at 2017 levels through 2020	PCA	Raise awareness of guests through communication measures (all new groups receive introduction to EMS) and random checks of the premises.	Water consumption/ overnight stay		
Waste production 2018					
Improve waste separation und disposal	Quipu	Improve waste separation und proper disposal	Monitoring and random checks	Regular discussions with the cleaning company, introductory training for staff, article published through Yammer	
100% waste separation	PCA	Monitor waste separation by students and staff members	Volume of waste	Ongoing	Residual waste has decreased by 12% compared to 2017. Nevertheless, this objective is being pursued further.
Maintenance of a proper waste separation and disposal system	PCH	Waste is still weighed two times per year to gain clarity about consumption. Ensure that waste separation is carried out properly.	Weigh waste twice per year	Completed	

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Waste production 2019					
Maintain same level of electronic waste as 2018 (945 kg)	Quipu	Full implementation of the asset process, extension of the useful life of devices through resale, replacement of devices	kg electronic waste		
Maintenance of a proper waste separation and disposal system	PCH	Waste is still weighed two times per year to gain clarity about consumption. Ensure that waste separation is carried out properly	(yes/no)		
Maintain employee awareness for waste separation		Inclusion of information on waste management in the annual Environmental Awareness Workshops for the holding company.	(yes/no)		
Increase quality of waste separation		Prepare manual for facility management company on proper waste separation	(yes/no)		
100% waste separation	PCA	Monitor waste separation by students and staff members	Volume of waste		
Reduce printing paper consumption compared to 2018		Introduce digital distribution of teaching materials for laptops and tablets	kg paper waste		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Environmental awareness 2018					
Increase environmental awareness among PCB Germany staff to a good level	PCB Germany	Communicate innovations in the EMS, development of consumption data, news, etc.	Environmental management section on the new intranet, Emails from Environmental Officer at ProCredit Bank Germany	Completed	
		Poster campaign in kitchen and halls	Posters	Completed	
Employees regularly informed about the latest developments and measures implemented within the framework of the EMS; awareness initiatives organised	PCH	Communication of the latest developments of EMS Regular information on the implementation of improvement measures	Management part in SharePoint: • Prepare marketing material and distribute it to PCH employees • Internal messages via different channels	Ongoing	
Introduce new PCH employees to the EMS and its significance		Conduct awareness training on EMS for new employees	Percentage of new PCH employees trained	Completed	
1-day awareness-raising event organised jointly for all four ProCredit institutions in Germany		Organise a one-day-day event on environmental awareness	Event organised	Postponed to 2019	

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Environmental awareness 2019					
Increase environmental awareness among PCB Germany staff to a good level	PCB Germany	Communication of the latest developments in EMS, consumption data, news, etc. through "lunch&learn" sessions and conduct training sessions	yes/no in EMS audit review (ad hoc interviews)		
Ensure proper disposal of "private" toner and "small" electronic waste from employees		Offer an easy way for employees to correctly recycle and dispose of their private toner waste and "small" electronic waste through a disposal box, which can also be used to promote social projects.	Volume of recycled waste		
Raise PCH staff awareness of EMS and general environmental issues	PCH	General training courses with PCH employees on plastics as part of the group-wide approach	(yes/no)		
		Implementation of quarterly internal communication on green finance activities in line with the group-wide approach	Number of publications		
Introduce new PCH employees to the EMS and its significance		Conduct awareness training on EMS for new employees	Percentage of new PCH employees trained		
1-day awareness-raising event organised jointly for all four ProCredit institutions in Germany		Organise a one-day-day event on environmental awareness	Event organised		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Group-wide Internal Environmental Management System 2018					
Ongoing group-wide support in improving internal environmental performance	PCH (PC group)	Support continual improvement of environmental performance	Environmental performance of the group (CO ₂ , Energy, Water, Paper, Waste)	Completed	
100% LED lighting in ProCredit institutions		Replace lighting systems	Certificates from institutions	Completed	
50% of vehicle fleet is electric/hybrid		Communication during group-wide seminars	Minutes	Completed	Electric or hybrid cars accounted for 57% of the company fleet at the end of 2018
Promote PV cells for buildings within the group				Completed	Self-generated PV electricity has increased by 44% compared to 2017
Strive for green building certification		Collect information on building certification	Information collection	Completed	EDGE certification already obtained, PCBs in North Macedonia and Bulgaria serve as pilot projects to check certification process
Group-wide Internal Environmental Management System 2019					
Support ProCredit institutions in maintaining and further developing the EMS	PCH				
Carry out regular follow-up checks on PCBs in Albania, BiH and Moldova in order to assess and further optimise the EMS in place					
Support PCBs in certification of the efficiency of PCB buildings via EGDE		Complete EDGE certification process for PCBs in Bulgaria and North Macedonia, carry out certification during HO renovation in Kosovo, check feasibility for PCBs in Serbia, Ukraine, Georgia and Ecuador	(yes/no)		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Management of Environmental and Social Risk in lending 2018					
Support ProCredit institutions in E&S risk management	PCH			Completed	
Adjust and monitor implementation of E&S risk management approach - in particular, expand ESAF evaluation to more loans (e.g. category A, larger low-risk exposures, etc.).				Ongoing	
Update and carry out E&S training sessions				Completed	
Management of Environmental and Social Risk in lending 2019					
Support ProCredit institutions in E&S risk management	PCH				
Adjust and monitor implementation of E&S risk management approach - in particular, expand ESAF evaluation to more loans (e.g. category A, larger low-risk exposures, etc.).					
Maintain and increase employee competence through E&S training and engagement with E&S-relevant topics					

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Green finance 2018					
Introduce sustainability reporting in GRI framework and publish the first sustainability report for the ProCredit group	PCH			Completed	
Support ProCredit institutions in the development and expansion of green finance. Achieve a 15% share of the gross loan portfolio by the end of 2018				Completed	
Support the banks in developing innovative green finance products				Completed	
Implement group standards for the financing of renewable energy projects at all banks outside Germany				Ongoing	
Comprehensive training for responsible staff in renewable energy financing by 2018		The ProCredit banks are divided into three groups and participate in the two-week renewable energy workshop in May, June and July		Completed	
Develop reporting concept for the CO ₂ emissions reductions achieved through financed renewable energy projects		Develop a reporting concept		Completed	

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Green finance 2019					
Support the banks in developing innovative green finance products	PCH				
Comprehensive training for responsible staff on renewable energy technologies and financing in PCB countries with high RE potential					
Various other milestones or developments in 2018					
Increase motivation of employees to use bicycles through incentives	PCB Germany	Better parking facilities for bicycles: • new bicycle stands and roofing for the bicycle parking area	Provide such facilities at the bicycle parking area	Not completed (postponed)	
		Job-bike as an additional service/incentive for staff to use bicycles	Provision of such a service to staff. Number of employees cycling to the office	Not completed (postponed to 2019, implemented in Q1 2019)	
Various other milestones or developments in 2019					
Increase motivation of employees to use bicycles through incentives	PCB Germany	Better parking facilities for bicycles: • new bicycle stands and roofing for the bicycle parking area	Number of employees cycling to the workplace		

Annual environmental objectives (if not otherwise indicated)	Institution	Measure	Evaluation criteria	Status	Degree of achievement
Mid-term targets until 2023					
Sustainable suppliers and external service					
Reach 100% sustainable suppliers	PCH	Conversion to sustainable suppliers in accordance with group-wide guidelines	% sustainable suppliers		
Green Finance					
Share of high-quality green loans in the total loan portfolio reaches 20%	PCH (PC group)				
Group-wide Internal Environmental Management System					
Become CO ₂ -neutral	PCH (PC group)	Further measures to improve internal environmental performance - Realisation of our own 3MW PV project: ProEnergy (95% ownership PCH and 5% PCB Kosovo) - As far as possible, switch to renewable energy suppliers (for electricity or heat) - Invest in installing PV systems - External compensation for residual CO ₂ emissions	CO ₂ eq		
Reach 50% sustainable suppliers		Develop group-wide guideline for sustainable suppliers	(yes/no)		
		Review existing suppliers and, where possible, switch to sustainable suppliers in accordance with group-wide guidelines	% sustainable suppliers		
100% of vehicle fleet is electric/hybrid		Replace existing vehicle fleet with electric or hybrid vehicles, procure electric or hybrid vehicles as necessary	% electric or hybrid vehicles in the fleet		

9 Contact person

For questions regarding the Environmental Statement, please contact:

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The current version of the Environmental Statement and other materials about the ProCredit group's commitment to sustainability can be downloaded from www.procredit-holding.com.



10 Statement of the environmental auditors

Michael **H**ub
Umweltgutachter
Berater Umwelt, Qualität, Sicherheit

ENVIRONMENTAL VERIFIER'S DECLARATION ON VERIFICATION AND VALIDATION ACTIVITIES

Michael Hub and Dr. Georg Sulzer with EMAS environmental verifiers registration numbers DE-V-0086 and DE-V-0041, accredited or licensed for the scope (NACE-Code)

- 64 Financial service activities
- 62.02 Computer consultancy activities
- 62.01.9 Other Computer programming activities
- 85.42.4 Tertiary education
- 85.5 Other education

declare to have verified whether the whole organisation as indicated in the environmental statement of the organisation

ProCredit institutions located in Germany

Sites:

ProCredit Holding AG & Co. KGaA, Rohmerplatz 33-37, D-60486 Frankfurt am Main

ProCredit Bank, Rohmerplatz 33-37, D-60486 Frankfurt am Main

Quipu GmbH, Königsberger Straße 1, D-60487 Frankfurt am Main

ProCredit Academy, Hammelbacher Straße 2, D-64658 Fürth-Weschnitz

with registration number DE-125-00059

meet all requirements of

Regulation (EC) No 1221/2009 last amended by Regulation (EU) 2018/2026 (EMAS)

on the voluntary participation by organisations in a Community

eco-management and audit scheme (EMAS).

By signing this declaration, we declare that

- the verification and validation have been carried out in full compliance with the requirements of EMAS,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement of the organisation reflect a reliable, credible and correct image of all the organisation activities, within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Done at Frankfurt am Main on 29.11.2019


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 DAU-Accreditation-No: DE-V-0086




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 Akkreditierungs- und Zulassungsgesellschaft
 für Umweltgutachter mbH, Bonn
 Accreditation-No: DE-V-0086

11 Annex

11.1 Emissions factors

Type	Unit	Year	CO ₂ eq ³⁴	NO _x	SO ₂	PM ₁₀
Electricity						
Average German energy mix	g/kWh	2015	528	0.488	0.272	0.033
	g/kWh	2016	516	0.440	0.290	0.015
	g/kWh	2017	489	Not published		
	g/kWh	2018	474	Not published		
LichtBlick (Quipu)	g/kWh	2015	5.8	Apart from the CO ₂ eq emissions factors, no other emissions factors could be obtained from the electricity suppliers. Therefore, we have taken the average values for the German energy mix, as published by the German Environment Agency.		
LichtBlick (Quipu)	g/kWh	2016 and after	0	Green electricity is produced entirely from hydro, wind or solar power, thus producing no further emissions		
Mainova (PCH until Aug. 2016; PCB ground floor until Jul. 2016)	g/kWh	2015	408	Apart from the CO ₂ eq emissions factors, no other emissions factors could be obtained from the electricity suppliers. Therefore, we have taken the average values for the German energy mix, as published by the German Environment Agency.		
EWS Schönaue (PCB entirely from July 2016, PCH entirely from August 2016)	g/kWh	2015	0	Green electricity is produced entirely from hydro, wind or solar power, thus producing no further emissions.		
EWS Schönaue (PCB, PCH)	g/kWh	2016 and after	0			
Entega (PCA)	g/kWh	2015	0			
Entega (PCA)	g/kWh	2016 and after	0			

³⁴) Total greenhouse gas emissions (CO₂, CH₄, N₂O, hydrofluorocarbons, perfluorocarbonate, SF₆) in carbon dioxide equivalents

Type	Unit	Year	CO ₂ eq ³²	NO _x	SO ₂	PM ₁₀
Heating & fuel						
Natural gas	g/kWh	2017	250	0.186	0.012	0.007
Heating oil	g/kWh	2017	319	0.213	0.284	0.024
Wood pellets	g/kWh	2017	29	0.337	0.149	0.075
Diesel	g/kWh	2017	313	1.303	0.118	0.027
Petrol	g/kWh	2017	311	0.257	0.135	0.018
LPG	g/kWh	2017	277	0.154	0.081	0.016

Source: GEMIS (Globales Emissions-Modell Integrierter Systeme) Version 4.95 - 04/2017

11.2 Lower heating value

Fuel	Lower heating value	Unit
Diesel	10.17	kWh/l
Petrol	9.21	kWh/l
Wood pellets	5.00	kWh/kg
Heating oil	10.17	kWh/l
Natural gas	10.64	kWh/m ³
LPG	6.54	kWh/l

Sources:

International Energy Agency (2006): Handbuch Energiestatistik:

<https://webstore.iea.org/energy-statistics-manual-german>

<http://heizkostenrechner.eu/heizwert-brennwert-tabelle.html>

11.3 Climate factors for weather adjustment of heating energy data

Place	Post code	Climate factor		
		2016	2017	2018
Frankfurt, Bockenheim	60486	1.18	1.20	1.31
Fürth	64658	1.10	1.11	1.22

Source:

Deutscher Wetterdienst: <http://www.dwd.de/DE/leistungen/klimafaktoren/klimafaktoren.html>

11.4 Indicators and benchmarks for comparison

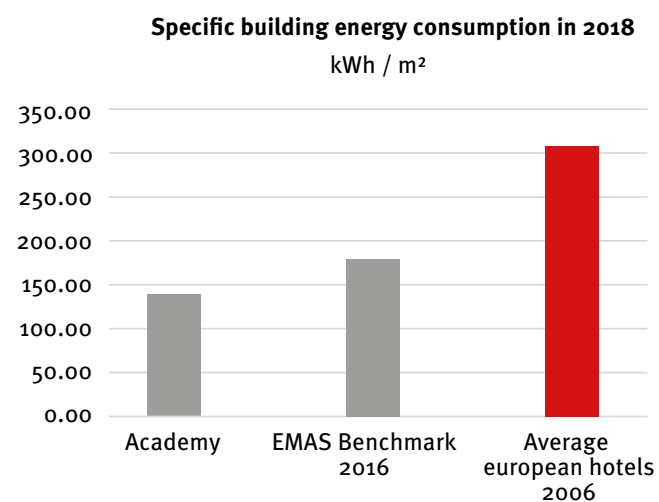
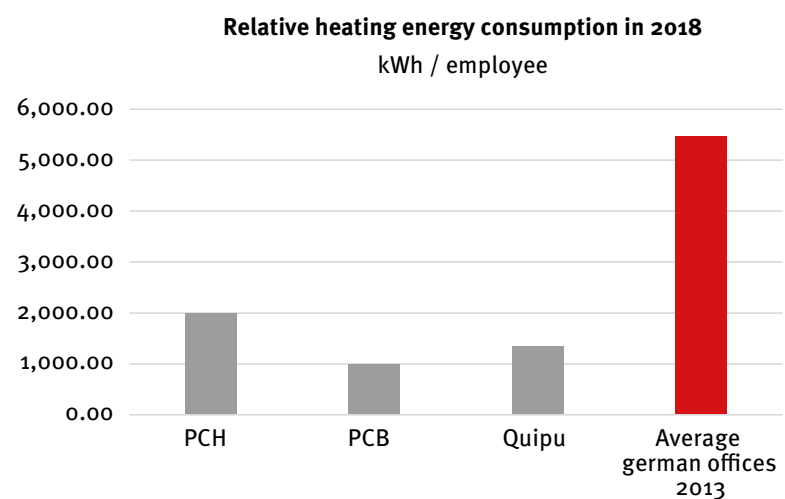
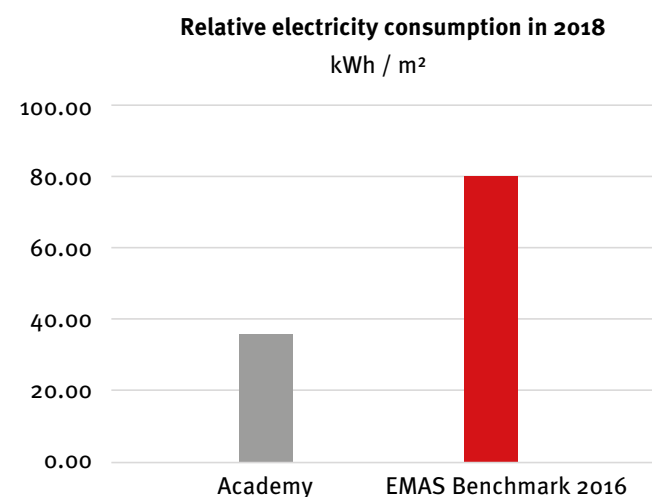
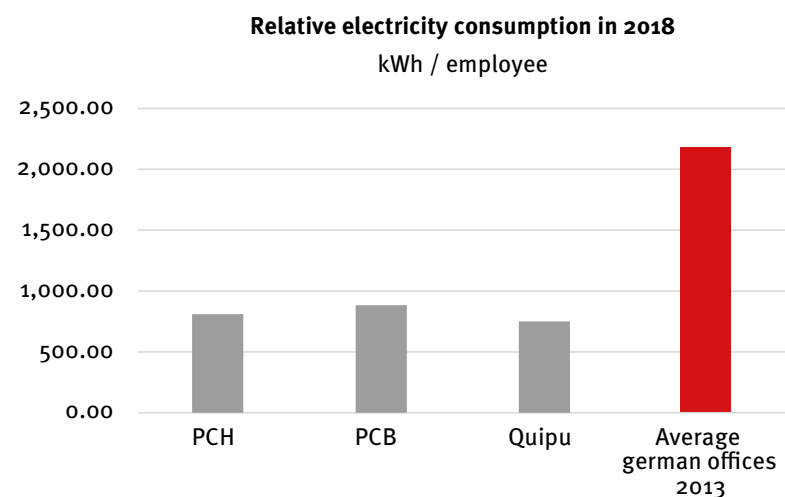
Indicator for offices		Unit	Source
Electricity (estimate for offices in Germany 2013)	2,177.0	kWh/(pp a)	Bundesministerium für Wirtschaft und Industrie (2015): Energieverbrauch des Sektors Gewerbe, Handel, Dienstleistungen (GHD) in Deutschland für die Jahre 2011 bis 2013: https://www.bmwi.de/Redaktion/DE/Publikationen/Studien/sondererhebung-zur-nutzung-erneuerbarer-energien-im-gdh-sektor-2011-2013.html
Heating energy (average for offices in Germany 2013)	5,463.0	kWh/(pp a)	
Water (general estimate for offices in Germany)	8.1	m³/(pp a)	Freie und Hansestadt Hamburg Umweltbehörde (2001): Wasserpraxis: https://www.hamburg.de/contentblob/150264/8e21bde1d2c21ee81cb6092f163f3e47/data/wasserpraxis.pdf
Water (average for offices in Germany 2013)	5.5	m³/(pp a)	Karger, R., Hoffmann, F. (2006): Wasserversorgung: Gewinnung – Aufbereitung – Speicherung – Verteilung, Springer: https://www.springer.com/de/book/9783834813800
Paper (general estimate for offices in Germany)	49.5	kg/(pp a)	Umweltbundesamt (2015): Auftakt zum bundesweiten Wettbewerb „Büro & Umwelt“ 2015: https://www.umweltbundesamt.de/themen/auftakt-bundesweiten-wettbewerb-buero-umwelt-2015
Heating energy (average for offices buildings)	133	kWh/(m² a)	Energieeffizienz bei Büroimmobilien. dena-Analyse über den Gebäudebestand und seine energetische Situation: https://effizienzgebaeude.dena.de/fileadmin/dena/Dokumente/Pdf/9143_dena-Analyse_Energieeffizienz_bei_Bueroimmobilien.pdf

EMAS Benchmark for Hotels 2016		Unit	Source
Building energy (heating and electricity)	180	kWh/(m² a)	Reference document of European Commission on Best Environmental Practices, incl. indicators for environmental performance and benchmarks of excellence for the tourism sector (2016): https://eur-lex.europa.eu/legal-content/en/%20ALL/?uri=CELEX%3A32016Do611%20
Electricity	80	kWh/(m² a)	
Water	140	l/night	
Residual waste	0.16	kg/night	

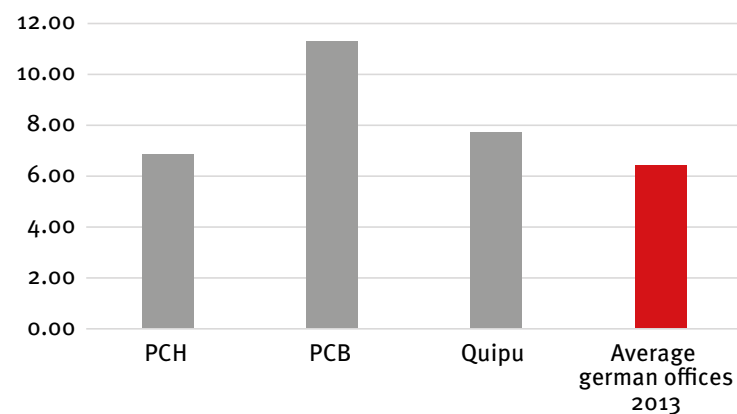
EMAS Benchmark for Offices 2019		Unit	Source
Building energy (heating and electricity)	100	kWh/(m² a)	Reference document of European Commission on Best Environmental Practices, incl. indicators for environmental performance and benchmarks of excellence for the public administration sector (2019): https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019D0061
Water	6.4	m³/(FTE a)	
Residual waste	200	kg/(FTE a)	

Indicators for hotels		Unit	Source
Building energy (average, European hotels in 2006)	306	kWh/m²	ECOTRANS e.V., University Stuttgart (2006): Environmental performance of European tourism companies: http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.showFile&rep=file&fil=SURTOUR_umweltleistungen.pdf
Building energy (average, European hotels in 2006)	77	kWh/night	
Water (average, European hotels in 2006)	394	l/night	
Residual waste	1	kg/night	
Electricity (average, German hotels 2012)	12	kWh/night	Hotel und Energie, Eine Sonderveröffentlichung der Fachzeitschrift Hotelbau, August 2015 ISSN: 1865-5130 ie https://www.hotelbau.de/download/downloadarchiv/hotel+energie2015.pdf
Heating (average, German hotels 2012)	136	kWh/m²	
Heating (reference value for German hotels 2012)	28	kWh/night	
Electricity (average, German hotels in 2013)	7,829	kWh/pp	Bundesministerium für Wirtschaft und Industrie (2015): Energieverbrauch des Sektors Gewerbe, Handel, Dienstleistungen (GHD) in Deutschland für die Jahre 2011 bis 2013: https://www.bmwi.de/Redaktion/DE/Publikationen/Studien/sondererhebung-zur-nutzung-erneuerbarer-energien-im-gdh-sektor-2011-2013.html
Heating (average, German hotels in 2013)	18,269	kWh/pp	Bundesministerium für Wirtschaft und Industrie (2015): Energieverbrauch des Sektors Gewerbe, Handel, Dienstleistungen (GHD) in Deutschland für die Jahre 2011 bis 2013: https://www.bmwi.de/Redaktion/DE/Publikationen/Studien/sondererhebung-zur-nutzung-erneuerbarer-energien-im-gdh-sektor-2011-2013.html

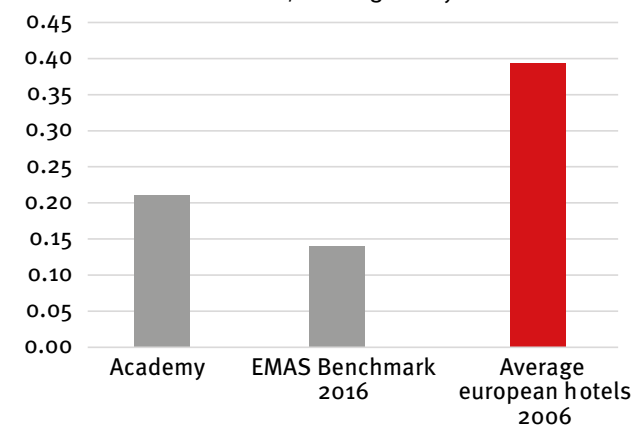
11.5 Environmental performance of the ProCredit institutions in Germany compared to indicators and benchmarks



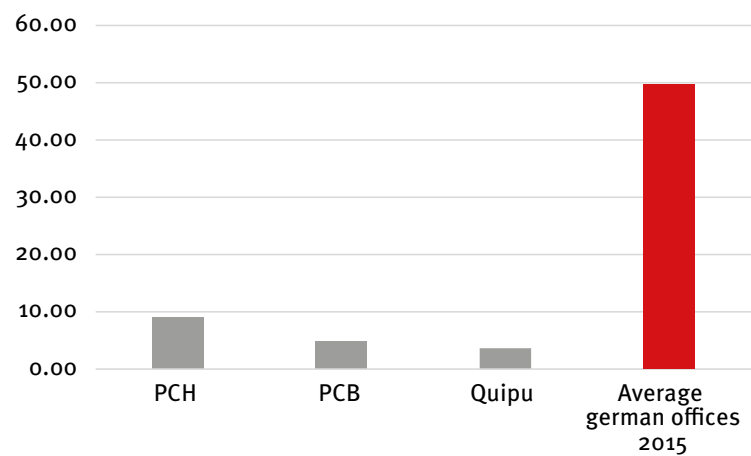
Relative water consumption in 2018
m³ / FTE



Relative water consumption in 2018
m³ / overnight stay



kg prints per employee in 2018



Relative residual waste volume in 2018
kg / overnight stay

