prosus

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

Improving everyday life for billions of people through technology

Prosus is one of the world's largest technology investors and creating sustainable value lies at the core of everything we do. The companies we invest in are visionary entrepreneurs, rooted in their local communities, building online businesses with a lower carbon footprint than their old-economy offline counterparts.

We are investing in, and building, a diverse portfolio of asset-light, low-carbon digital technology-based business models. We recognise the urgency of climate action, and we are committed to contributing to limiting global warming to 1.5 degrees Celsius, guided by our SBTi-verified climate targets.

Research shows that to stop global warming the reduction of carbon emissions has to come for 55% from our energy use and for 45% from how we make and consume food, materials and goods. In other words, climate action has to be seen in tandem with a wider approach to environmental management. For a business to successfully reduce carbon emissions it has to review all aspects of its operations, from choices in types of fuels and electricity, to deciding which products and materials to buy, to engaging its customers and suppliers. Because of this interconnectedness, we detailed our approach to managing our impact on the environment, including climate, in our environmental sustainability programme (**environmental programme**). The programme describes our strategy, approach and targets for reducing the material environmental impact across our group and includes our climate transition plan which outlines our climate commitments, climate-related risk and opportunity assessment and our governance model.

In our TCFD reporting we match the recommendations of the Task Force on Climate-related Financial Disclosure's (TCFD) framework to the relevant parts in our annual disclosures, **our sustainability policy** and our environmental programme, thereby ensuring stakeholders engage with our efforts to combat climate chance in the light of our wider approach to managing environmental impact.

1. Governance

	Description	Reference
Board oversight	The board retains oversight for the sustainability agenda for the group, including our climate action strategy and plan. The review and approval of business and financial plans, including sustainability targets and resource allocations, are steered by relevant board committees.	Sustainability policy, page 3 Environmental programme section 2.1, page 7
Management responsibilities – key performance indicators (KPI's) and targets	The CEO and CFO's short-term KPIs include targets on climate action, which tie in with their performance incentive and remuneration. The direct reports of the CEO, the subsidiary CEOs, have all equally received a climate target ensuring that climate action is on the agendas of the executive management of all our subsidiaries and forms a prominent deliverable for the segments.	Sustainability policy, page 3 Annual report 2024, page 48 and page 94 (STI linked to climate) Environmental programme section 1.1, page 6 (environmental KPIs)
Portfolio engagement approach	We actively engage in the environmental, social and governance (ESG) performance of our portfolio companies. Acquiring a controlling interest in a company implies a higher level of accountability and influence with a consequent cascading of our business values and ESG principles. Our influence over majority-owned and minority-owned businesses varies with each investment, but the principles which guide us are consistent.	Sustainability policy, page 4 Annual report 2024, pages 47-48 Environmental programme section 2.3, page 8

2. Strategy

	Description	Reference
Our strategy	We believe we can harness the power of technology to drive sustainable transition, which is why being a force for good underpins our sustainability purpose. Our capital allocation strategy reflects this opportunity as we continue to increase our exposure to revenues from a well-diversified portfolio of asset-light and low-carbon digital services.	Annual report 2024, pages 47-48 Environmental programme section 3, pages 11-14 (climate action)
Climate-related physical and transition risk assessment	We recognise we not only contribute to climate change through our emissions but are also impacted by its effects. The ultimate objective of our approach to climate-related risks is to empower our colleagues and our portfolio companies to enhance the resilience of our investment portfolio companies and consequently the group.	Environmental programme section 4, pages 15-16
Climate-related opportunities assessment	We recognise opportunities from the global transition to a low-carbon economy on five aspects: 1. Building a circular economy that is sustainable and more resilient (resource efficiency). 2. Core business models contributing to the transition to a low-carbon economy (market opportunity). 3. Investing in new low-carbon ventures and growth markets (market opportunity). 4. Greening transport and delivery (energy source). 5. Increasing the benefits of decarbonisation strategies (operational efficiency). Our approach to realising these opportunities is outlined in our environmental sustainability programme, and the results for FY24 is disclosed in our Impact report 2024.	Environmental programme section 4.7, pages 20-21 (opportunity assessment) Impact report 2024: › pages 3-9 (opportunity 5) › page 12 (opportunity 1) › page 13 (opportunity 4) Annual report 2024, page 44 (opportunity 3)
Scenario analysis	We used two scenarios and two time horizons for a comprehensive climate-risk analysis across the entire group including quantification of these risks on potential financial consequences.	Environmental programme section 4.4, pages 17-19
Risk impact quantification	We distinguish between three categories of potential financial and strategic impacts from climate-related risks: revenue loss, company valuations and access to capital.	Environmental programme section 4.5, page 18
Climate transition plan	For our group, action on climate has two key areas of focus: 1. Delivering on our SBTi verified climate targets that underpin our pathway to net-zero emissions from our corporate operations and our investment portfolio. 2. Understand our insight on climate-related risks and opportunities to help guide our decisions, both in day-to-day operations and for new investments. Our climate transition plan describes the first, while the second is described in our risk and opportunity assessment methodology.	Environmental programme section 3, pages 11-14 (net-zero pathway) and pages 15-21 (climate-related risks and opportunities)

3. Risk management

	Description	Reference
Choosing the right opportunities and balancing risks	Climate-related risks that have been identified and our mitigating response is discussed both within the remit of our board level risk committee and the board sustainability committee. Our climate risk management is aligned with standard frameworks and good practice, including the Dutch corporate governance code.	Annual report 2024, page 53 Environmental programme section 4.3-4.6, page 16-19
Managing vulnerability to climate-related risks	Due to the physical locations of our subsidiaries, their exposure to climate-related physical risks is high to very high. However, due to the digital nature of the business models and being asset light, their vulnerability to climate-related risks and the associated financial impact are low. This is even further lowered due to their ability to mitigate impact on their operations or by their business activities by adapting to the risks presented. Exposure to and potential impact from transition risks is also low, as the GHG footprint of our portfolio companies is low, and they do not rely on natural resources or have dependencies on critical supply chain partners or products. Our group-wide climate transition plan further reduces these risks.	Environmental programme section 4.2-4.6, pages 15-19 (climate-related risks management) Environmental programme section 3, pages 11-14 (net-zero pathway)
Managing climate-related opportunities	We recognise opportunities from the global transition to a low-carbon economy on five aspects, as detailed in our environmental programme and above, under chapter 2.	Environmental programme section 4.7, pages 20-21
Metrics used	Our SBTi-verified decarbonisation targets are: 1. Operational emissions: We commit to an absolute reduction in our scope 1 and 2 GHG emissions of 100% by FY28 from a FY20 base year. Upon realising this reduction, we commit to maintaining it for the future. 2. Supply chain emissions: We commit to reduce absolute scope 3 GHG emissions from air business travel 30% by FY30 from a FY20 base year. 3. Portfolio company emissions: We commit to the majority of our eligible private equity and listed equity investments by invested capital-setting science-based targets by FY30. Group KPIs on climate for our portfolio companies are: a) Scope of GHG emissions measurement. b) Having SBTi-verified GHG reduction targets. c) Carbon intensity (on revenues). d) Share of renewables in electricity use. e) Share of EVs for deliveries (Food Delivery and Etail only).	Environmental programme section 1, page 6 (KPIs) Environmental programme section 3.2, page 13 (SBTi target) Impact report 2024: › page 6 (KPI a and b) › page 7 (KPI c) › page 8 (KPI d) › page 13-14 (KPI e)

3. Risk management continued

	Description	Reference
Scope 1, 2 and 3 emissions	We disclose our scope 1, scope 2 and scope 3 emissions and activities towards emission reductions in our annual environmental impact report. It also includes details about our accounting methodology.	Annual report 2024, page 50 Impact report 2024 chapter 2, pages 3-9
Progress in FY24	GHG accounting: We continue to improve the scope of reporting and limited assurance on our GHG accounting, in 2024 including material scope 3 categories for each subsidiary. Decarbonisation efforts: We maintained our scope 1 and 2 emissions at Prosus corporate offices at zero. Emissions consequent to business travel are aligned with our reduction target of 30% by FY30. We also work very closely with our portfolio companies to support their decarbonisation efforts building their capacity and knowledge to start developing net-zero targets that fit their operating contexts. Target setting: At a group level, we received verification of our climate targets by SBTi, ensuring we are on a science-based pathway to help decarbonise our group. Sustainable deliveries: All companies within our portfolio that have a fleet footprint have been piloting electrification across all types of vehicles. Companies with packaging in their business model have also been implementing sustainable packaging solutions while making efforts to reduce packaging waste. Training: We aim to enhance environmental awareness and build expertise across our group. To this end, we conduct regular training of our people (including our board members) to help them stay up to date with the required skills and knowledge to implement effective sustainability strategies.	Annual report 2024, pages 46-53 Impact report 2024, pages 3-15 Environmental programme section 2.3, 2.4 and 2.5, pages 8-9 describe our model of engagement, collaboration and training across our group

Gustav Mahlerplein 5
Symphony Offices
1082 MS Amsterdam
The Netherlands

www.prosus.com