

Questions submitted for the hybrid annual general meeting



prosus

1. INTRODUCTION

In accordance with the notice of the annual general meeting, from the date of publication of the notice of the hybrid annual general meeting until Wednesday, 24 August 2021, at 1:00 CET, shareholders could submit written questions about the items on the agenda. We set out below the questions, and responses to the questions. For these questions and for general information please refer to the company by email on investorrelations@prosus.com or by phone: +31 (20) 299 97

2. Questions from the Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO)

- 2.1. The VBDO is curious how Prosus, as an investor is engaging with its subsidiaries and portfolio companies on climate action as this is one of the next steps that Prosus has presented in its annual report (p. 47) 'Engagement of our portfolio companies to ensure they also set their own science-based targets'. This accounts especially for companies where Prosus has a controlling interest. VBDO appreciates this target, but would like to know when Prosus expects all subsidiaries and portfolio companies to be in line with Paris' 1.5 degrees commitment as climate change impacts are starting to present itself rapidly in an increasing manner. Could Prosus set a date for when it expects all subsidiaries to be in line with its 1.5 degrees target?**

Since our inception we have been building the foundations of our climate strategy, starting with GHG accounting and reporting, not just for Prosus corporate but also all portfolio companies where we have a controlling interest. We provide extensive support, training and guidance on GHG accounting and reporting process to our majority owned portfolio companies, that have led to year-on-year improvements on quality and scope of data disclosures. Robust GHG inventory process is the basis for the next phase of setting science-based climate targets, which we intend to do within this financial year.

While we map out our portfolio engagement strategy, we have set ambitious climate targets for Naspers and Prosus corporate entities for FY2023. We have committed to 100% reduction of our corporate scope 1 and 2 footprint with a science aligned reduction in our material scope 3 categories 1 and 6, purchased goods and services and business travel.

Our portfolio of companies is diverse and dynamic, with majority and minority investments, listed and private companies, established and young companies. Our net zero roadmap will consider climate-risks and opportunities related to the business model, sector and operating context of the specific companies, in alignment with the available guidance on setting science-based targets. By March 2023, we intend to publish multiyear roadmap with a short term horizon for our controlled portfolio companies and a longer term for coverage of all other material companies in our portfolio.

- 2.2. VBDO was pleased to read that Prosus put a specific focus on driving the circular economy (AR, p. 17, 18, 29), and believes that the company, as an investor in consumer internet and delivery companies, can make a significant impact here, especially on plastic waste and pollution. Could Prosus create more insight into the company's plans to further drive and measure circular operations in 2022?**

Our largest Classifieds business OLX contributes to the transition to a circular economy by enabling consumers to extend the life of thousands of products. The positive impact this generates is reported annually in the OLX Impact Reports. OLX has also become a member of the Ellen MacArthur Foundation to further harness the opportunities the circular economy offers.

In this financial year we intend to further drive enhanced measuring and reporting of revenues from circular business models like OLX, while encouraging our food delivery and eetail businesses to embed circular operations in their value chain. Reduction targets, reusable packaging and opt-out solutions for disposable plastic are some of the strategies being implemented by our portfolio companies like iFood, DeliveryHero, Oda and Swiggy amongst others.

To support our portfolio companies we have established a packaging and waste working group to enable best practices sharing and collaboration on sustainable packaging. Participants of the working group include companies where we both have a majority and minority interest across our Segments, covering a wide range of geographies. The working group has just completed a landscape study of sustainable packaging solutions for food delivery and eetail, providing a suite of ideas and opportunities to engage and build on.

- 2.3. VBDO would like to underline the human rights risks that are linked to platform economies as also reported on by the European Commission.¹ We were pleased to read about Prosus' plans on screening the company's vendors on human rights (AR, p. 44) Is Prosus willing to report on the results of this initial screening in the next annual report?**

We use a software tool that screens for ethics, bribery, compliance, environmental and human rights risks for existing and potential suppliers of the Prosus corporate entity. Our screening is a continuous process rather than a one-time tick-the-box exercise. The software regularly screens the existing supplier base and flags (new) potential risks derived from real-time data availability across multiple sources of information.

Our top 10% vendors at Prosus corporate are service providers such as banks, law firms and consultants, who account for almost 80% of our total spend. These vendors do not have extended supply chains and most are large multinational corporations that have well established sustainability programs and codes of conduct comparable to our own. For these vendors we embed the requirement to adhere to the standards of our code of conduct into their service contracts.

2.4. VBDO is aware of Prosus' extensive reporting on the company's actions to enhance diversity. VBDO has, however, not found that Prosus has provided insight into the current diversity profile of the organisation, apart from the percentage of women that are currently employed at Prosus (AR, p. 27, 71). Can Prosus provide more transparency on its process of closing the unjustified pay gaps (p. 278)? And, how much does Prosus engage with its subsidiaries on this topic?

From board to senior management and the general employee population, we are encouraged to see an upward trend in hiring women, with the last four additions to the board being women. There is also an increase in the number of women being recruited into management roles across the group. In the group, we have hired more women than men, from director to vice president levels during this financial year.

We take the gender balance of our board members seriously and are committed to maintaining a minimum of one third of board members who are female.

Diversity is one of our business strategic priorities and is included as a measurable goal for management teams in our business segments. It is critical to our success and embedded in all our talent acquisition, talent reward and talent development processes. This goes beyond gender diversity. Our initiatives to address diversity in general and gender diversity specifically, span the employee journey and all levels of the organisation.

For example, we track gender representation at every stage in our recruitment process and use data to ensure that our recruitment pipeline is more balanced. We review our job descriptions and our communications with candidates to ensure the language we use is inclusive, and also ensure that there is a diverse interview panel.

In rewarding our people, maintaining pay equality is embedded in our ways of working throughout the group, and through regular analyses we compare compensation levels of groups of people, for example women versus men, performing in similar jobs. We conduct calibrations with all segments as a standard process before (annual) reward decisions are taken, working towards closing unjustified pay gaps, should they exist.

Employee feedback is a great indicator of the impact and progress we are making in the workplace in relation to diversity and inclusion. Please see reference of our diversity score in engagement survey (p. 15).