



prosus

Environmental sustainability
programme

Improving
everyday life
for billions of
people through
technology

Prosus is a global consumer internet group and one of the largest technology investors in the world.

CONTENTS

Introduction	1
1 Managing our impact	2
1.1 Responsible investing	2
1.2 Materiality	2
1.3 Scope of impact	3
2 Governance	6
2.1 Sustainability governance	6
2.2 Management responsibilities	7
2.3 Portfolio engagement approach	7
2.4 Building collaboration and learning across the group	8
2.5 Environmental advocacy, awareness, and training	9
2.6 External partnerships and commitments	9
3 Strategy and climate transition plan	10
3.1 Our strategy	10
3.2 Targets and metrics	11
3.3 Climate transition engagement plan	12
3.4 Fair and just transition	13
3.5 Value chain engagement	13
4 Risk management and scenario analysis	14
4.1 Assessing climate-related risks	14
4.2 Climate-related physical risks	15
4.3 Climate-related transition risks	16
4.4 Scenario analysis	17
4.5 Risk impact quantification	18
4.6 Managing exposure to climate-related risks	19
4.7 Climate-related opportunities assessment and management	20
5 Biodiversity and resource use	22
5.1 Biodiversity	22
5.2 Sustainable packaging	23
5.3 Water and waste	24
6 Circular economy	25
Glossary	26

Introduction

Introduction

Our interaction with our environment, whether our impact is positive or negative, can affect our people, customers, reputation, operations and legal obligations, all of which in turn can have an effect on our financial performance. Measuring, managing and reporting our environmental impact is therefore crucial for us to make informed decisions.

Our environmental sustainability programme (**environment programme**) sets out how we define, measure and manage the environmental impacts of our group. We've created this document for all of our stakeholders to provide a comprehensive overview of our impact on the planet and to outline how we address the resulting risks and opportunities.

The management of our environmental impact is inspired by the United Nations Sustainable Development Goals (UN SDGs) and contributes in particular to principles 11, 12 and 13.



We apply environmental principles and key performance indicators (KPIs) to the core of what we do – making investment decisions and building companies into successful businesses – thereby contributing to the sustainable development of our world. Our investments help to increase the resilience of their communities, support a circular economy and are on a pathway to a net-zero society.

ESG (environmental, social and governance) and sustainability are dynamic areas which will continue to evolve, particularly in the markets in which we operate. Consequently, our environment programme, which is based on the concepts and principles outlined in our [sustainability policy](#), will be reviewed annually and updated in response to changes in legislation, stakeholder expectations and developments in our business. We will continue to provide regular environmental impact reporting updates via our annual report and our corporate website.

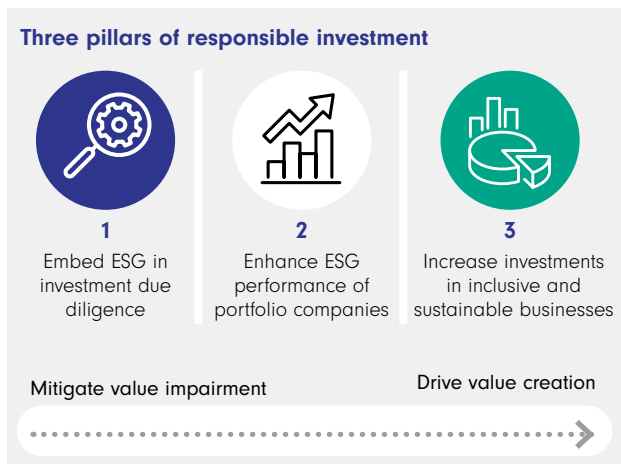
We welcome feedback from our stakeholders on this document, please reach us via sustainability@prosus.com.

1 Managing our impact

1.1 Responsible investing

Making responsible investments is at the heart of the capital allocation decisions that we make. To create sustainable value, we follow a responsible investment approach, based on three pillars (see figure 1.1).

Figure 1.1: Three pillars of responsible investment



Firstly, we mitigate risks to people and to our planet: ESG screening is built into our pre-investment due diligence process. We proactively limit our exposure to carbon-intensive sectors.

Secondly, we manage for performance: our investees share our entrepreneurial instincts and our companies are motivated by a commitment to delivery and profitability. We strive to enhance the ESG performance of all companies in our investment portfolio, both those that are majority-owned by us and those in which we have a minority interest (though our influence is naturally greatest over the former).

All portfolio companies are encouraged to conduct regular materiality analyses and participate in an ESG performance assessment, using the S&P global corporate sustainability assessment framework.

Thirdly, we are committed to increasing exposure to sustainability-driven business models across our portfolio. We will identify and invest in:

- » innovations that drive the systemic transition towards a low-carbon economy
- » software opportunities where digital services are transforming the environmental footprint and social impact of traditional business sectors, and
- » asset-light digital services that deliver on our group purpose to improve everyday life for half the planet's people.

Through our investment activities, we are in an ideal position to play an active role in the transition to a low-carbon economy. Our investments can contribute to positive systemic change, such as dematerialisation of educational services and developing a circular economy.

1.2 Materiality

We have built an investment portfolio of businesses that is focused on consumer internet services, across six areas: Classifieds, Food Delivery, Payments and Fintech, Education Technology (Edtech), Etail and Ventures (figure 1.2).

Our digital platforms in our portfolio are software-driven and asset-light in their operations, thereby having a relatively low environmental footprint.

The diversity of our group companies, not only in terms of business sector and geography, but also in their relative maturity, means that the nature of their material environmental impacts, and how to define them, will vary. We work closely with our subsidiaries on their accounting and reporting of their environmental impacts.

Most of the companies in our investment portfolio operate in high-growth markets and regions that typically are more vulnerable to the effects of climate change, biodiversity loss and other changes to our natural world. All subsidiaries are encouraged to conduct a materiality analysis based on their business model, operations and geography to help identify

Figure 1.2: Our investment areas

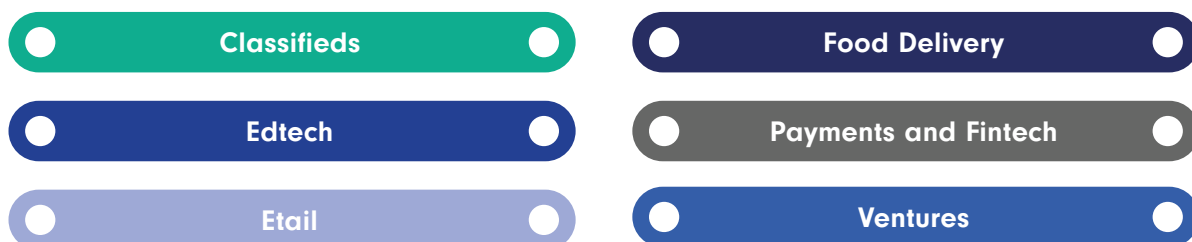
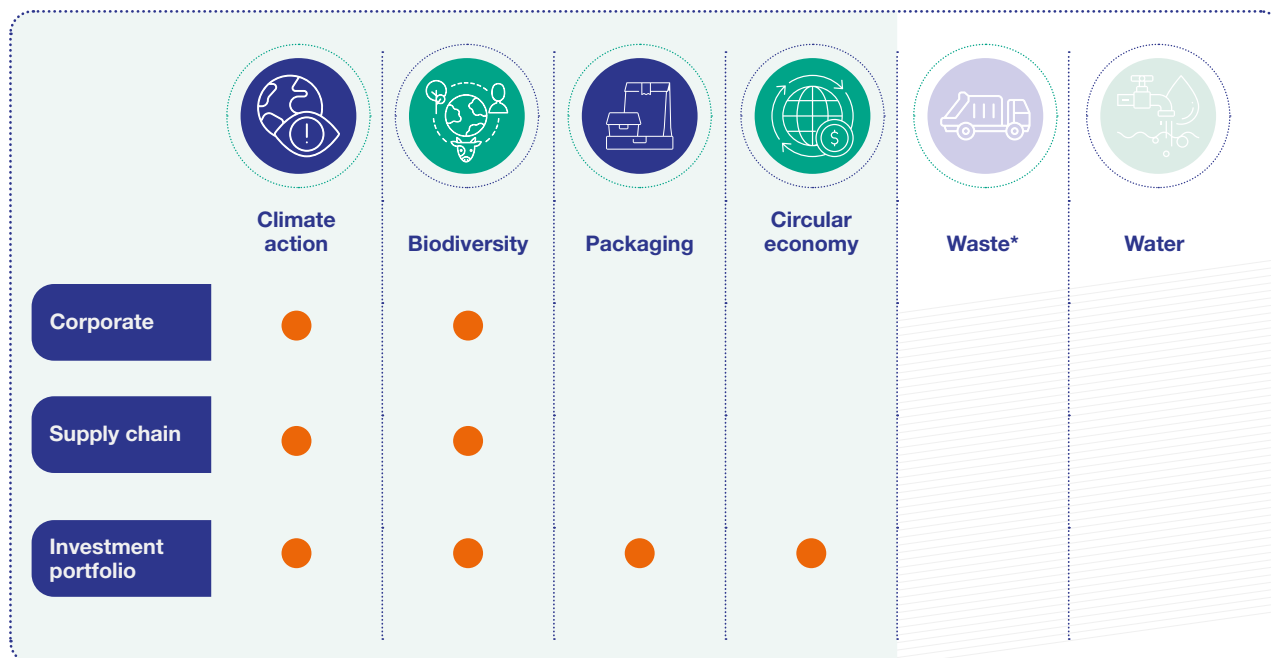


Figure 1.3: Environmental impact materiality assessment



* Waste not from packaging use.

their environment-related risks and opportunities. This analysis is an important pillar in our understanding of their potential to create sustainable value.

To determine the materiality of environmental impact categories, we have undertaken a materiality assessment of or group indicating the different operating business models (figure 1.3).

Applying international frameworks, such as the Greenhouse Gas Protocol (GHG Protocol), Taskforce for Climate-related Financial Disclosure (TCFD) and Taskforce for Nature-related Financial Disclosure (TNFD), we assessed the opportunities and risks across six impact categories: climate, biodiversity, packaging, circular economy, waste, and water.

For our portfolio companies, we set annual targets and KPIs to increase their understanding of environmental impacts and performance in managing them. For instance, we encourage our portfolio companies to develop environmental management systems.

In the absence of global standards on packaging and circular economy, we have developed our own framework to steer and measure progress (see sections 5 and 6).

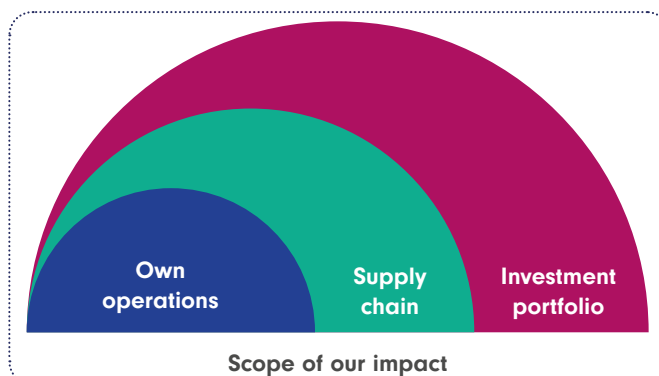
1.3 Scope of impact

We identify three scopes of environmental impact within our broader group:

- 1 Our own operations
- 2 Our extended operations (including our supply chain)
- 3 Our investment portfolio

Our direct and indirect operational impact lies within the boundaries of our corporate headquarters, and our extended operational activities cover suppliers that provide services and goods to our headquarters. Our most substantial impact is from the businesses that make up our investment portfolio (figure 1.4).

Figure 1.4: Scoping our environmental impact



1 Managing our impact continued

Own operations

Our corporate operations are limited to small offices in five locations around the world. The materiality threshold for our corporate office to measure and report data against key environmental indicators is set at a minimum of 10 employees. Our use of resources and emissions is linked to the provision of a workplace for our employees. We apply a considered approach to the environmental footprint of our office space, for example, our office in Amsterdam is BREEAM-certified, and we procure more than 90% of our electricity from renewable sources.

Extended operations (including supply chain)

Our suppliers represent the majority of our extended environmental impact, and we take the opportunity to make a positive impact by embedding sustainability considerations in our procurement practices.

The vast majority of our supplier base consists of service providers such as lawyers, accountants, banks, insurers, consultants and other professional services, who by the nature of their operations have a relatively low environmental

footprint. Our analysis shows that we have no dependency on specific suppliers or reliance on suppliers that are critical to our business and operations. Please see section 3.4 on supplier engagement for more information on how we manage our extended value chain and engage with our suppliers on topics like climate action.

Investment portfolio

Our investment portfolio, including subsidiaries, associates and investees, generate environmental impacts from the development and operation of their digital platforms and online service-delivery models. Their extended value chain impacts are linked to the products and services of their business partners and suppliers and to the footprint of their customers.

Supporting portfolio companies in impact management

We apply a three-step approach to support our investment portfolio managing environmental impact; map, identify, and invest (figure 1.5).

Figure 1.5: Process of environmental impact management



1 Map environmental impact

All subsidiaries are required to conduct an assessment of their material environmental impacts and define their boundaries for the purpose of environmental impact reporting. We support them on their greenhouse gas (GHG) emissions inventory and ESG data on a centrally managed ESG data management tool creating a repository of their upstream and downstream environmental data.

This enables our diverse businesses to apply a data-driven approach to defining the baseline underpinning their longer-term environmental strategy. All newly acquired companies, where we have a majority share, will be required to measure and disclose data for scope 1 and scope 2 GHG emissions, in line with the [GHG Protocol](#), within 24 months of their onboarding.

Our carbon accounting process applies internationally acknowledged and globally orientated emission conversion factors. The DEFRA and International Energy Agency emission factors are applied to scope 1 and scope 2 processes respectively. The GHG emission data measurement relies on geolocation data of assets and operations which is used for both the climate-related as well as biodiversity risk and opportunity assessment.

Our annual [environmental impact report](#) discloses the detailed GHG emissions of all subsidiaries and estimates the emissions from associates and investees in our wider investment portfolio. Our Classifieds businesses measure their net environmental impact from enabling the circular economy.

2 Identify reduction opportunities (and set targets)

We have identified four key areas (see table 1 below) to assess and manage the environmental impact of the companies in our investment portfolio. For each of these areas we have articulated indicators that help us measure a company's progress, underpinned by materiality of risk and opportunity. In our annual environmental impact report we will report on progress on these indicators.

The common objective across all of our portfolio companies is the implementation of science-based climate targets and pathways, which each of them is required to define by FY30.

3 Invest in solutions, technology and partnerships

Achieving targets may require a transition to use new solutions, technologies or partnerships. Solutions can range from measures to reduce business travel emissions to scale sustainable packaging for restaurants. Our businesses invest in conventional technologies like solar panels and other renewable energy capacity, or in installations that drive energy efficiency in offices and other buildings.

Partnerships range from individual ventures with suppliers of electric vehicles, to industry-wide collaborations like joining a Plastics Pact.

Table 1: Environmental performance indicators for portfolio companies

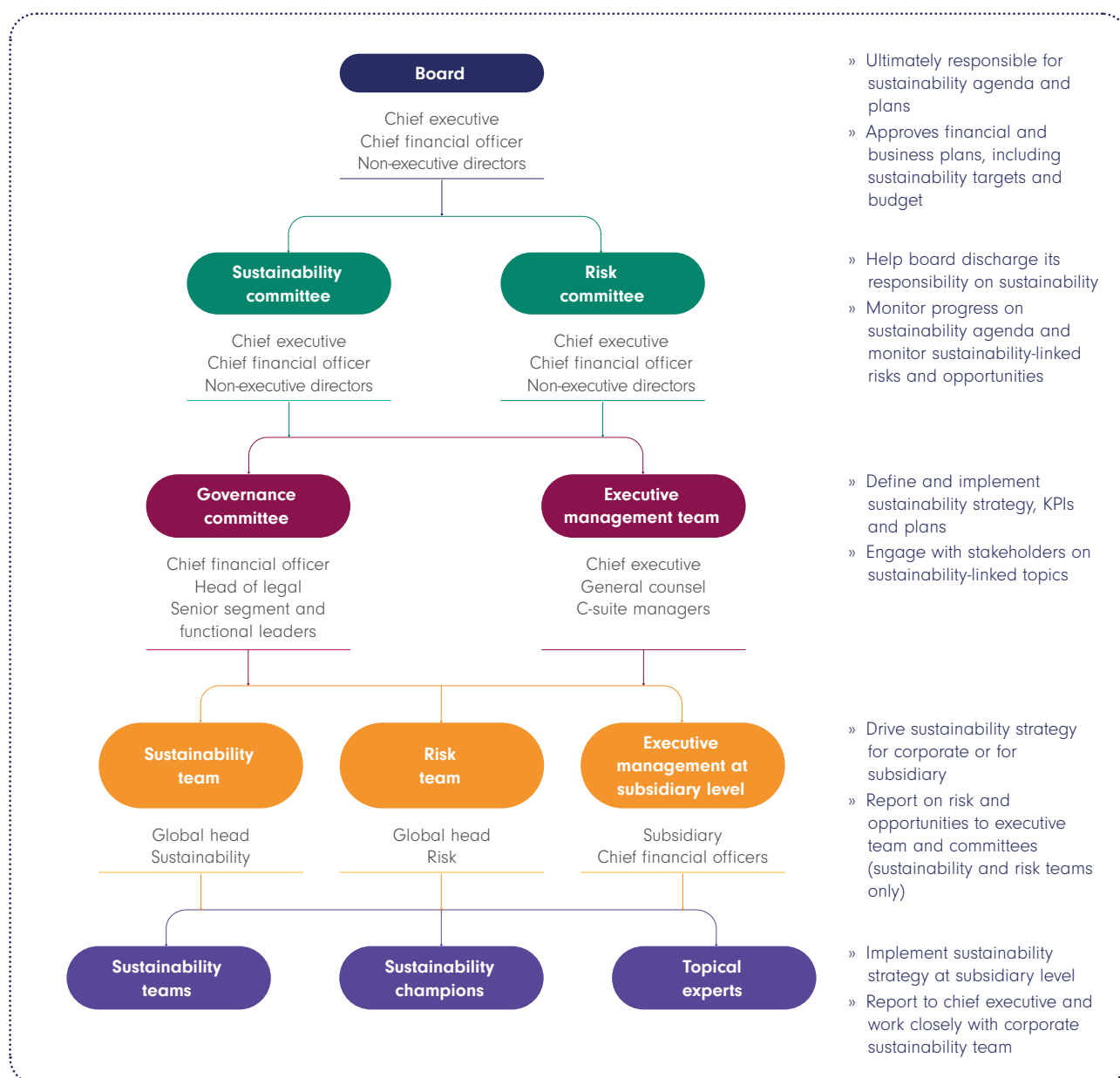
Impact area	Environmental performance indicator
Climate	» Scope and maturity of GHG emissions reporting » Scope and ambition of GHG reduction targets » Carbon intensity (revenues) » Share of renewables in electricity use » Investments in climate positive solutions » Share of low-carbon deliveries (Food Delivery and Etail only)
Biodiversity	» Locate (mapping) hotspots of biodiversity impact and dependency » Identifying opportunities to restore biodiversity
Packaging	» Packaging footprint measurement (processed and procured packaging) » Use of recycled materials » Use of FSC-certified materials
Circular economy	» Avoided GHG emissions » Avoided use of materials and resources

2 Governance

2.1 Sustainability governance

Good governance plays a crucial role in achieving sustainability objectives in both the short and long term. Robust governance practices help to ensure that decisions are made transparently, with the participation of stakeholders, and that the benefits and costs of actions are distributed fairly. In addition, good governance provides the necessary framework for monitoring and enforcing environmental regulations and sustainability targets, ensuring that progress is being made towards our group-level climate targets.

Figure 2.1: Sustainability governance structure



Board and executive level oversight

Climate and sustainability issues are considered at the highest organisational level via the social, ethics and sustainability committee and the risk committee that are subcommittees of the Naspers board. The board is informed about environmental sustainability-related risks and opportunities, in particular climate-related, at all scheduled social, ethics and sustainability committee meetings and risk committee meetings. Our social, ethics and sustainability committee meets at least twice per year to discuss environmental impact performance and progress against targets. The risk committee meets at least three times per year and discusses environmental impact performance. These committees report back to the board meeting.

Our board retains overall responsibility for the oversight of our environmental impact management. The most senior executives have environmental sustainability KPIs as part of their remuneration scorecard which means that part of our chief executive and chief financial officer's variable compensation is tied to achieving specific environmental KPIs. Details and progress are published annually in the remuneration report. The group chief executive and chief financial officer's KPIs are cascaded to all their direct reports, including the chief executive officers of the subsidiaries, putting environmental management firmly on the agenda of these companies.

Sustainability targets are embedded in the annual business-planning process where our subsidiaries finalise their strategies, targets and budgets for the year. In addition to climate KPIs, that are universal, we use materiality to determine other workstreams and objectives. For example, our Etail companies have targets on carbon accounting and GHG reduction, and also work on KPIs on sustainable packaging. The sustainability KPIs are reviewed and signed off at board level.

In addition, our Ventures team also, amongst other things, looks for investments in sustainable start-ups that show growth opportunities. Potential opportunities are being explored in sustainability-native sectors and activities like agriculture technology, alternative proteins, and low-carbon transportation.

Further information regarding our overall corporate governance structure, policies and reporting can be found in the [governance section](#) of our website.

2.2 Management responsibilities

Responsibility for the day-to-day management of environmental impact and sustainability topics resides with the executive management team. Our dedicated global head of sustainability leads sustainability activities across the group and reports to the general counsel for the group, who in turn reports to the group's chief executive.

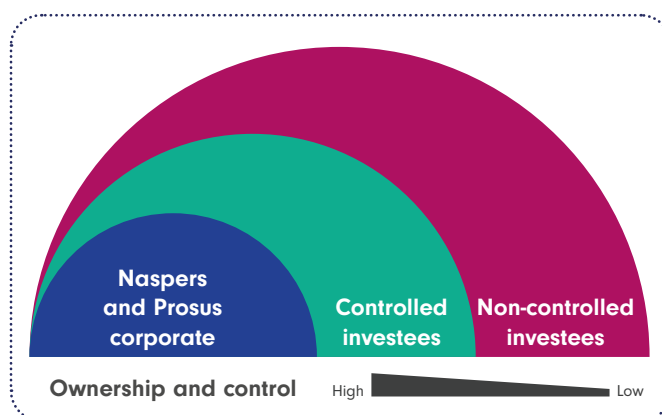
We have defined our principles and approach to environmental impact management at the corporate level. These are cascaded to the group's portfolio companies to adapt and refine their specific business models and operational contexts.

Sustainability professionals at each portfolio business are responsible for the implementation of the environment programmes of those businesses. This group of sustainability accelerators is supported by the group's core sustainability team on topics ranging from the basics of measuring and reporting extended carbon footprints to developing environmental strategies and learning from each other. One unifying group objective is the implementation of our science-based targets and pathways, which each of our subsidiaries is required to define by FY30.

2.3 Portfolio engagement approach

We engage in the ESG performance of companies across our investment portfolio. If we acquire a controlling interest, then this leads to a higher level of accountability and influence. Our influence over subsidiaries, associates and investees varies with each investment, but the principles which guide us are consistent (figure 2.2).

Figure 2.2: Ownership and control

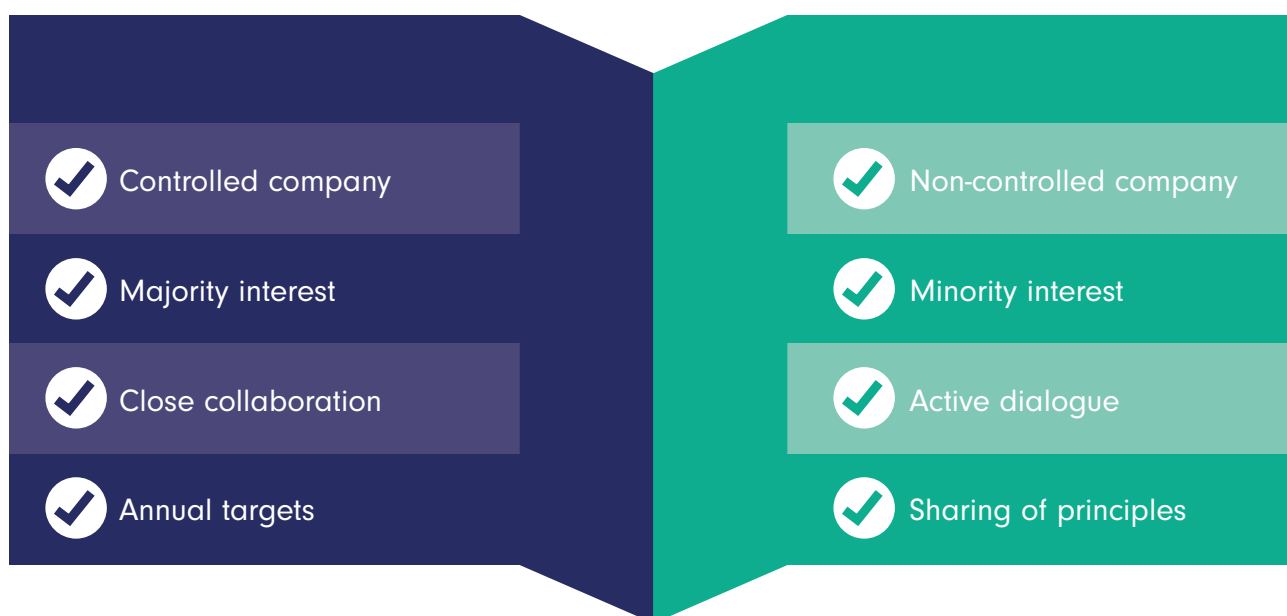


2 Governance continued

Where we have majority of the shares in a company, we work very closely to ensure its management embeds our principles and takes action on all material environmental issues, adapted to local factors such as business model, geography, available resources, and the complexity of its activities. For instance, on climate action, we are deeply involved with portfolio companies to support their progress on carbon accounting, measurement and management.

Where we have a minority interest, we build a relationship with the company and, where appropriate, seek to share our sustainability agenda and ESG principles (figure 2.3). We apply a nuanced approach to our engagement strategy with companies where we have a minority interest. Our engagement considers the position and role of the private sector in the larger operating context of the company, including the requirements of the local regulatory regimes and jurisdictions. This makes it important to have a bespoke approach to engagement.

Figure 2.3: Ownership and engagement



2.4 Building collaboration and learning across the group

We aim to enhance environmental awareness and build expertise across our group. We deploy a multi-pronged model of engagement with our investment companies:

- » Bilateral engagement – with each subsidiary, and on request with our associates and investees, we organise regular bilateral engagement to discuss progress on sustainability by, for instance, providing in-depth support on GHG emissions data calculation and audit or setting up governance structures for ESG topics. Our ESG data tool plays a critical role in steering this engagement.
- » Sustainability Accelerator Network (SAN) – a quarterly forum for sustainability leaders and experts across our group to share insights and best practices on all relevant ESG and sustainability topics, from employee engagement to electrification of delivery fleets.
- » Expert working groups – we run specific working groups on climate action and packaging and waste:
 - The packaging and waste meetings bring together sustainability and packaging experts from our Etail and Food Delivery segments. These collaborations have led to the [publication of several reports](#).
 - The climate action group focuses on enhancing skills and knowledge on GHG accounting, GHG reduction and GHG target setting. The objective is to grow the maturity and independence of our portfolio companies on climate action, with the aim of developing their science-based GHG target (see section 3.1 and 3.2 below).
- » Sustainability workshops – tailored, often on-site, events with and for companies from our investment portfolio. These workshops aim to engage management and employees on the company's sustainability journey.

2.5 Environmental advocacy, awareness, and training

Regular training of our people to develop their skills and knowledge and help them stay up to date with fast-paced ESG developments is critical. The knowledge of our board members of ESG in general and specific topics like climate change-related risks and opportunities is increased through tailored training sessions and companywide educational tools. We have developed an e-learning module on ESG that is offered to employees at all group companies, from corporate headquarters to investees.

The sustainability team at corporate headquarters conducts training for our subsidiaries on an ongoing basis, and on request for associates and investees, with the objective of empowering these companies to take control of their own environmental impact management, in particular climate action, using our central GHG accounting tool.

We enhance the quality of sustainability management across our group through the four engagement tools of bilateral support, groupwide sustainability network calls, expert working groups, and bespoke workshops, as outlined above.

2.6 External partnerships and commitments

Feedback from our stakeholders, as well as collaboration with experts, partnerships with industry bodies, and regular exchanges with peers strengthen our group's approach, knowledge, and ability to be more effective in managing our environmental impact. We receive feedback from a diverse group of stakeholders through multiple channels such as bilateral engagements with investors, larger forums such as our annual general meetings (AGMs), industry peers and sustainability experts through roundtables and other stakeholder engagement sessions.

Identifying scalable technologies, partnerships and strategies to reduce our environmental impact and improve performance is fundamental to ensuring our own low-carbon and low-impact growth. Below is an overview of the partnerships we have at group level to unlock opportunities connected with the net-zero transition. The work that we do with our partners may indirectly help to inform policy and policymakers.



- » **United Nations (UN) Global Compact** – we are members of the world's largest corporate sustainability initiative, which helps us to align our operations and strategies with its [Ten Principles](#) in the areas of human rights, labour, environment, and anti-corruption.



- » **PCAF (Partnership for Carbon Accounting Financials)** – we are part of a highly active network collaboration between financial institutions worldwide to enable harmonised assessments and disclosures of GHG emissions financed by loans and investments.



- » **The Climate Pledge** – we have committed to reaching net-zero carbon emissions by 2040, 10 years ahead of the goal set out in the United Nations' Paris climate agreement.



- » **Board Now** – we are part of a coalition of companies committed to sustainable air travel by addressing the significant and growing environmental impact of aviation fuels.

3 Strategy and climate transition plan

3.1 Our strategy

For our group, taking climate action means two things. Firstly, to shape our science-based reduction pathway for our corporate operations and our investment portfolio (this is explained in this chapter). Secondly, to gain insights on climate-related risks and opportunities which we use in our decisions, whether for day-to-day operations and or new investments (section 4 sets out this risk and opportunity assessment and management).

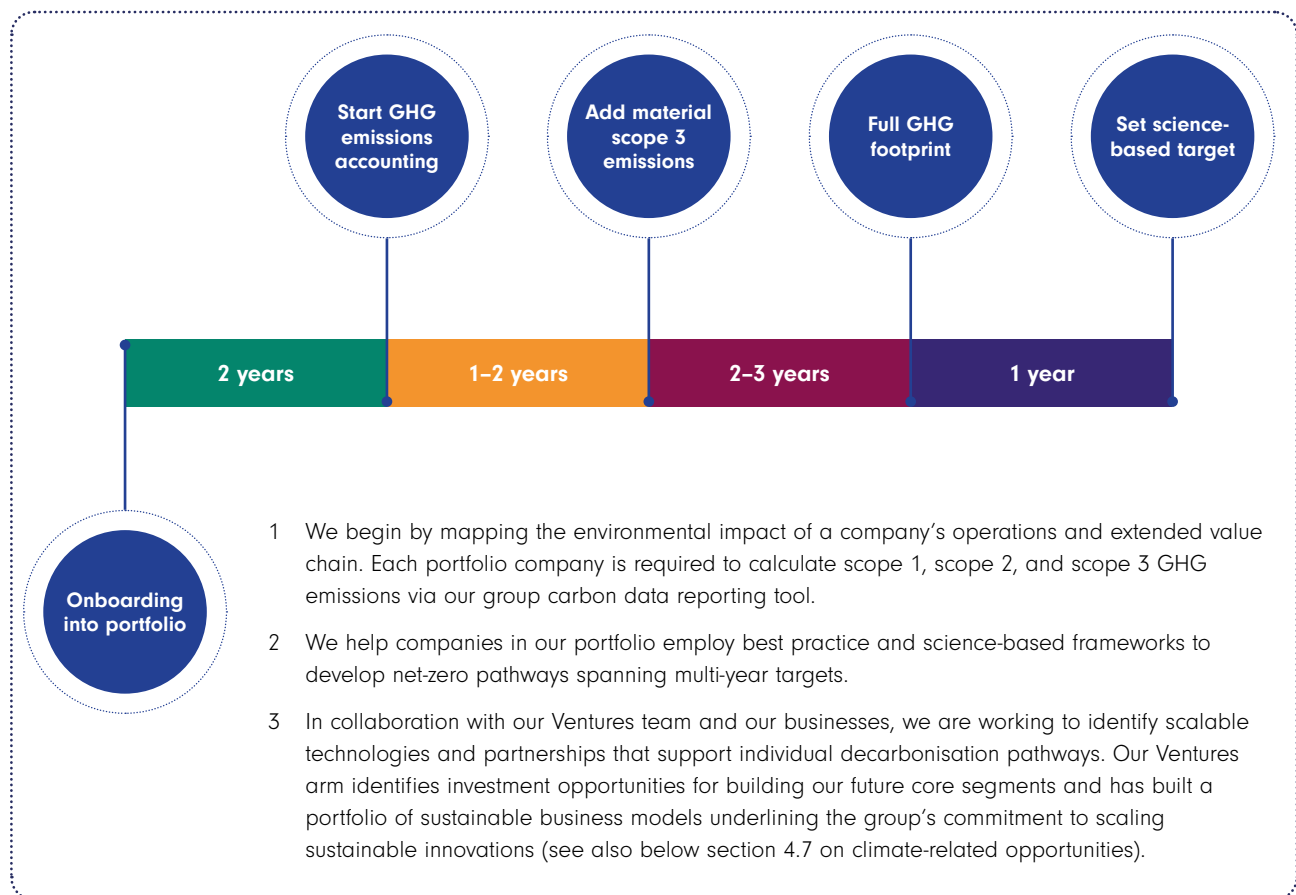
We believe that a commercial strategy anchored in the global climate agenda will contribute to reducing systemic risk, enhancing human capital, and securing our societal licence to operate. Taking action on climate is a critical agenda for all companies in our portfolio, in particular our subsidiaries who are required to develop a science-based target by FY30. Below we have laid out our climate transition plan, which

ranges from establishing the boundaries for carbon accounting to setting multi-year science-based reduction targets.

Process to net-zero strategy

Applying the three-step process for environmental impact management (see above figure 1.5), we work with our portfolio companies to help them to move from the first steps of carbon accounting to a science-based emission reduction target. The typical timeline for developing science-based targets is illustrated below depending on the complexity and maturity of the business (figure 3.1).

Figure 3.1: Typical timeline for developing science-based targets



3.2 Targets and metrics

With climate action a requirement for all controlled portfolio companies, climate-related KPIs are always included in the annual process to define budgets and targets. The costs to deliver on these targets are borne by the portfolio companies themselves. We ask each portfolio company to design its annual budget to include the necessary investments in carbon accounting, energy-reduction measures, and technology to decarbonise business growth from GHG emissions. These annual budgets are planned, budgeted, and signed off by our board and translated into KPIs for the companies' leadership, whose performance towards meeting them is tracked throughout the year.

Science-based reduction targets

After establishing the full GHG footprint of a company, the next phase consists of defining a baseline and articulating company-specific reduction roadmaps, supported by multi-year reduction targets.

We have developed a real-world climate transition plan that is both relevant and practical in the context of our diversified holdings and group structure. For our target setting, we have applied the SBTi guidance for financial institutions and investors, which best matches our diverse and dynamic portfolio of investments (see figure 3.2) and enables alignment with the Paris climate agreement to keep global warming to 1.5 degrees above pre-industrial levels:

- » Operational emissions: We commit to an absolute reduction in our scope 1 and 2 GHG emissions of 100% by FY28 from the FY20 base year. Upon realising this reduction, we commit to maintaining it for the future.
- » Supply chain emissions: We commit to reducing absolute scope 3 GHG emissions from air business travel by 30% by FY30 from the FY20 base year.
- » Portfolio companies emissions: We commit to 50% of our eligible investments by invested capital setting SBTi-validated targets by FY30. Our portfolio targets cover 90% of our total investment and lending activities by invested capital as of FY20.

The targets we have developed shape the absolute reduction pathway of our corporate emissions (scope 1, 2 and material 3) as well as multi-year engagement of our investment portfolio to put their businesses on a net-zero pathway. We will ensure that our targets remain aligned with the latest scientific insights to address global warming.

Decarbonising our corporate operations

Decarbonising our headquarters operations, with the aim of eliminating all scope 1 and 2 emissions by 2028, will be realised by:

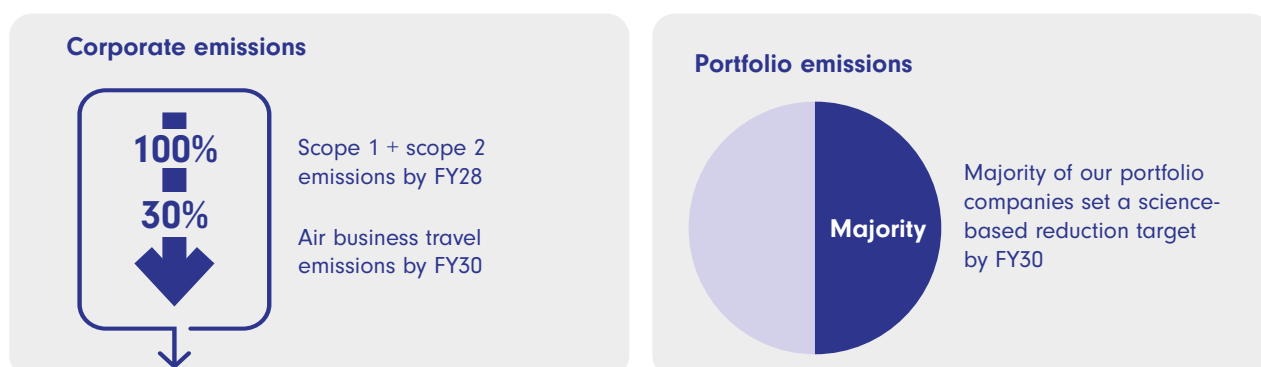
- » Removing all company cars or switching them to electric vehicles. We expect to achieve this by the end of FY24.
- » Where possible, installing or procuring renewable energy for our offices. The electricity used for Prosus' headquarters in Amsterdam and our office in the USA is already 100% renewable.
- » When renewable energy is not available, investing in renewable energy credits (RECs), in particular distributed RECs, or D-RECs, to reduce emissions from our electricity use. We have established the framework for D-RECs in FY23, which we see as a meaningful way to contribute to the growth of renewable energy capacity, while providing rural and remote communities with significant additional benefits, such as access to more reliable clean energy.

Our target to reduce air business travel, a significant source of GHG emissions, by 30% by FY30 from our FY20 base year. Starting in FY24, we will report on our progress towards this target. We have engaged in a multi-year offtake agreement to purchase sustainable aviation fuel (SAF) credits from SkyNRG. Starting in 2027, we are committed to purchasing 95Mt of SAF credits for five consecutive years. While contributing to an absolute reduction of our business travel emissions, the investments in these credits present the only feasible short-term solution to structurally decarbonise the aviation industry.

Portfolio coverage target

Our portfolio coverage target is aimed at realising the majority of our portfolio, measured by invested capital, to have set science-based targets by FY30. This means that at least 50% of

Figure 3.2: Our science-based climate targets



3 Strategy and climate transition plan continued

companies in our portfolio must set their own science-based climate reduction targets by then.

We will deliver on our FY30 portfolio coverage target by engaging our subsidiaries, where we have the greatest level of influence and strong established collaborative relationship. Our strategy is to guide and support at least one subsidiary per year to complete the target-setting journey and submit it to Science Based Targets initiative (SBTi) for verification, with the objective to ensure that 100% of majority-owned companies set a target by FY30 (figure 3.3). The anticipated impact of our multi-year commitment is substantial: by 2030 we expect to help a group of companies with US\$5.7bn turnover² advance along their decarbonisation pathways.

The implementation of our climate transition plan, and its results, are monitored by the sustainability committee (a committee of the board) whose meetings are attended by the group's chief executive and chief financial officer.

3.3 Climate transition engagement plan

We ensure that our portfolio companies remove GHG emissions from their operations and supply chains by requiring them to apply rigorous carbon accounting and develop their science-based reduction pathways. For each company and segment, decarbonisation brings different challenges, magnified by the

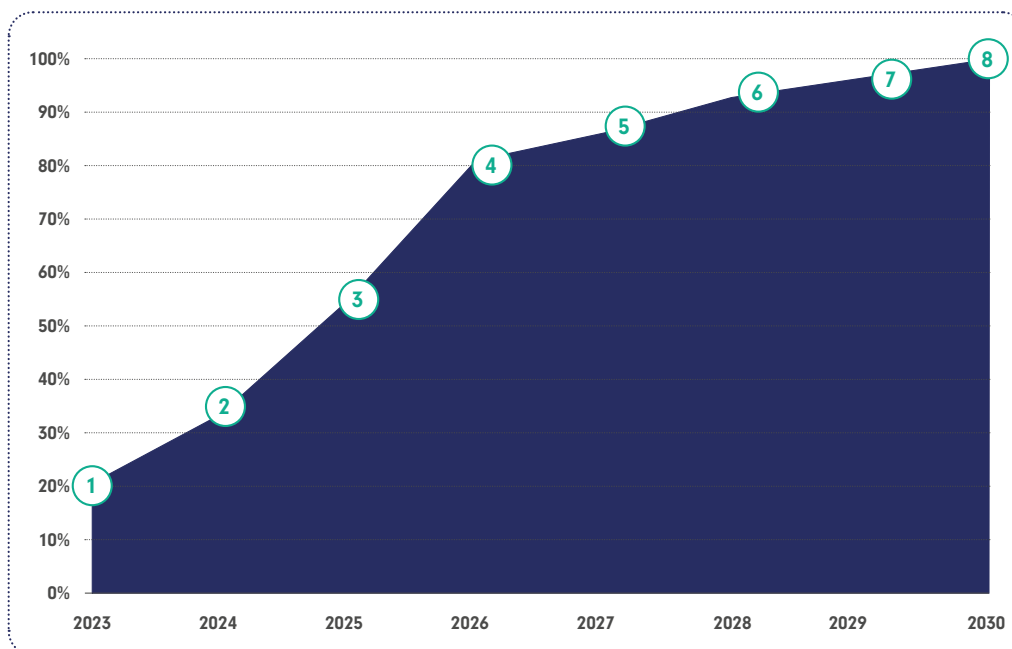
specific local contexts of the countries in which the portfolio company operates. For example, the Payments and Fintech company PayU India, with its headquarters in India and most of its emissions coming from business travel and purchased goods and services, has different challenges from Brazilian Food Delivery company iFood, which relies on thousands of restaurants and drivers to deliver food to its customers. We support the entire journey for each portfolio company from footprint assurance and reporting to developing the multi-year pathway to reduce emissions and ultimately achieve net zero.

For this to work, we can build further on a large number of reduction initiatives already taken by our portfolio companies fuelled by the high ambition level of their employees. For instance, our Etail companies are installing large numbers of solar panels at their distribution centres our Food Delivery companies are piloting strategies for the electrification of their delivery fleets quickly, and our Payments and Fintech companies are purchasing renewable energy contracts and certificates.

To increase the number of portfolio companies with science-based climate targets, our tools for engagement are:

- » A cross-segment working group for all portfolio companies that have started on their journeys to set science-based targets.
- » Bespoke bilateral projects to guide and support individual portfolio companies in their target-setting process.

Figure 3.3: Pathway to portfolio coverage by FY30



¹ We have applied the SBTi guidance for private equity firms and financial institutions, which outline specific criteria to determine which asset classes in our portfolio are eligible to fall under this portfolio coverage target.

² Share of revenues FY23.

3.4 Fair and just transition

Most of our businesses are located in the Global South, often operating in communities that are most vulnerable to the effects of climate change. This means the need to ensure the climate transition is just and fair is high on our agenda. While countries of the industrialised North are overwhelmingly responsible for climate change, its impacts are felt most strongly in parts of the world with limited resources to adapt to its effects. For example, a company seeking to decarbonise its fleet of delivery vehicles in Germany benefits from lower costs of capital and more enabling policies, incentives and infrastructure than a comparable business in Brazil, India or South Africa.

This reality is core to any concept of climate justice – and is recognised in Article 2.2 of the Paris climate agreement by an explicit commitment to ‘the principle of common but differentiated responsibilities and respective capabilities’. Deploying technologies to curb emissions is often more difficult, disruptive and expensive in those economies that are least responsible for global warming.

Climate goals are global, but operating environments and the costs of transition are local, influenced by the available energy mix, economic structures, and government commitments, policies and regulations. Each company’s operating context is critical to its decarbonisation pathway. For example, Brazil has set a goal of achieving net zero by 2050, while India has set a date of 2070 to achieve the same target. The available incentives for companies, and therefore the cost of funding their transition, vary accordingly: our subsidiary iFood has access to benefits from Brazil’s enabling ecosystem that are unavailable to its peer Swiggy in India.

Our commitment to a just and fair transition underpins our approach to creating sustainable value. We believe that a commercial strategy anchored in the climate agenda will contribute to reducing systemic risk, enhancing human capital, and securing our societal licence to operate. Our governance and management framework is in place and ready to support all our businesses, operations and investee companies to meet global climate targets aligned with the Paris goal of net-zero emissions by 2050.

3.5 Value chain engagement

Governance and performance management related to the purchase of external goods and services is an important addition to our environmental impact management. By setting environmental impact and disclosure requirements for our suppliers and business partners, we use our procurement influence to drive further climate action in our value chain.

Supplier code of conduct

Our board has set out our guiding business values and ethical stance in our [code of business ethics and conduct](#). This code

sets out what we expect from all our employees, stakeholders, and the companies we invest in. Building on this code, our [supplier code of conduct](#) defines the ethical principles and professional behaviours we expect our suppliers to abide by if they wish to remain our business partners. Our supplier code of conduct expects our suppliers to live up to our standards when it comes to social and environmental matters by, for example, ensuring alignment on upholding human rights and requiring action on important environmental themes like climate. The supplier code governs our commercial engagements with suppliers and is made part of our contractual relationship with them. We monitor and track whether the code is included in all our new contracts.

Supplier screening

Before we engage with a supplier organisation, we screen it for historical conduct on elements including financial conduct, incidents related to human rights, and environmental management. Only when the results of this screening are satisfactory, and any red flags sufficiently addressed, can we onboard or continue to work with the supplier. We pride ourselves on setting up the necessary checks and balances to ensure that all our vendors are screened.

Supplier engagement

Given the need for decarbonisation across all sectors and value chains, and the importance we attach to climate action for our group, we also expect our suppliers to measure, report and reduce their GHG emissions. In particular, we expect them to:

- » Measure and disclose their GHG emissions associated with the services and products provided to us.
- » Set GHG reduction targets, preferably aligned with science-based frameworks.

The results of our supplier engagement are disclosed in our annual [environmental impact report](#). We encourage all our portfolio companies, in particular those with a large supply chain, to develop and implement supply chain engagement programmes.

An assessment of our supplier base shows us that we predominantly procure (more than 95% of spend) professional services from law firms, auditors, consultants, and other advisors. The small number of products we procure are IT hardware, office rental and office supplies. As an investor, we do not have any business-critical or significant suppliers, but we work with a range of trusted business partners. The absence of critical suppliers gives us the flexibility to work with our suppliers on environmental disclosures and action, and over time include more stringent ESG criteria in our supplier selection process.

4 Risk management and scenario analysis

Our business is driven by our culture in which people are empowered to promptly respond to business opportunities while keeping risks within defined acceptable levels. Management and the board are accountable for the choices and decisions we make, how we execute these, and for delivering value in its broadest definition – within the parameters of the risk profile the board deems acceptable. We proactively manage broader sustainability risks from both an investor and an operator perspective. We expect our businesses to apply a methodical approach to analyse risk and opportunities, while ensuring sustainability aspects are included.

We aim to reduce undesirable risk exposures by implementing and operating cost-effective risk treatment plans and/or controls. We believe that doing so intelligently will deliver sustainable value growth and protect against avoidable loss. Depending on the type of risk – strategic, internal operational and external – our philosophy is broadly outlined as follows:

- » Strategic risks we seek to understand and accept responsibly to realise a balanced return.
- » Internal operational risks we aim to control to the extent that we optimise our risk profile benefiting our tolerance.
- » External, non-controllable risks we aim to reduce and mitigate as far as economically sensible.

Many climate-related risks are external risks like natural disasters, extreme weather events and failure to mitigate climate change. These risks are among the world's top 10 risks, according to the latest Global Risks Report 2023 from the World Economic Forum. Climate considerations are therefore becoming a core part of investment decisions across capital markets and affect our access to capital.

4.1 Assessing climate-related risks

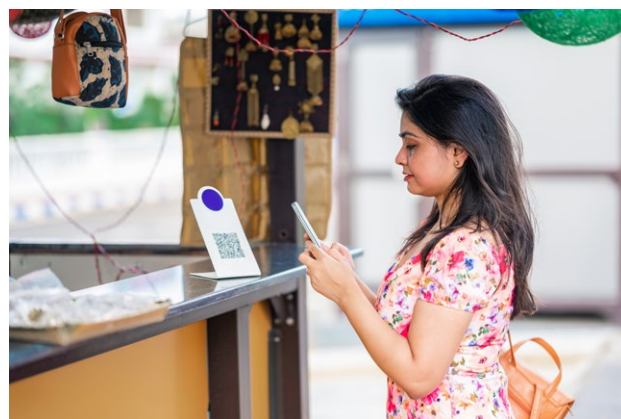
Several of our group companies operate in high-growth markets that are more vulnerable to climate-related risks due to lower levels of economic resilience than more developed markets. We therefore recognise that, as a company, we not only contribute to climate change through our emissions but are also impacted by its effects. The ultimate objective of our approach to climate-related risks is to empower our colleagues and our businesses to enhance the resilience of our investment portfolio companies, and consequently, the group.

There are two types of climate-related risks: physical and transition risks. Two characteristics are structurally reducing our climate-related risk profile:

- » We prioritise 'pure software' opportunities where digital services are transforming the environmental footprint and social impact of traditional business sectors rooted in the physical economy.
- » We only invest in companies that develop digital technology, are asset-light, and have low-carbon business models. Our investment strategy restricts us from investing in carbon-intense assets and activities, meaning that we are limited exposed to climate-related scrutiny, regulation, and stakeholder engagement.

While two other characteristics of our activities increase our risk profile:

- » Our portfolio comprises companies in high-growth markets that represent regions and communities with an enhanced vulnerability to the effects of climate change.
- » The companies in which we invest, from small to well-established, generally have limited insight into their GHG footprints and their focus on reducing them is still developing.



Our ability to create sustainable value is underpinned by a comprehensive and robust risk management framework. Assessing and monitoring climate-related risks are built into a multi-dimensional, multi-tiered approach for which we take both an investor and an operator perspective. We apply scenario analysis to determine our risk exposures. See section 4.4 below for the applied scenario analysis.

In our assessment, we use the following time periods: short term: zero to two years, medium: two to five years, long: five to 10 years. The financial impact threshold is 1% of operational cost. If we assess impact to be below this threshold, we do not quantify it.

4.2 Climate-related physical risks

Physical risks that arise from operating in changing weather conditions or dealing with severe weather events are by definition location-based. The physical exposure of our digital platforms is limited and is concentrated mostly in the delivery of food, groceries and parcels by our Food Delivery and Etail companies. Extreme weather such as heat waves can impact the operational performance of these companies. We have created an overview of the identified risk classification in figure 4.1.

Figure 4.1: Classification of climate-related physical risks

CLIMATE-RELATED PHYSICAL RISK ASSESSMENT					
Segment*	Entity	HQ location (country)	Operational location (region)	Physical risk	
				Acute	Chronic
Corporate	Prosus	Netherlands	Western Europe	Low	Low
Classifieds**	OLX	Netherlands	Western Europe	Low	Low
Edtech	GoodHabit	Netherlands	Western Europe	Low	Low
	Stack Overflow	USA	North America	Low	Low
Etail	eMAG	Romania	East Europe	Low	Low to medium
	Takealot	South Africa	Southern Africa	Low	Low to medium
	Media24	South Africa	Southern Africa	Low	Low to medium
Food Delivery	iFood	Brazil	South America	Low	Low to medium
	Movile	Brazil	South America	Low	Low
Payments and Fintech	PayU	India	Asia	Low	Low
Ventures	N/A	N/A	Global	Low	Low

* Investments in social and internet platforms are excluded from this overview.

** Excluding OLX Autos.

With only a handful of assets considered critical and decentralised, there is a good deal of resilience and limited exposure to climate-related physical risks, especially when compared to, for instance, manufacturing or processing companies. Physical risk is classified as 'low to low-medium' for our Food Delivery and Etail portfolio companies which rely on local transportation infrastructure and a group of delivery drivers. These activities can be impacted by changing patterns of climate and weather, such as sustained higher temperatures.

Emerging risks

We recognise that climate-related risks, in particular physical risks, are an emerging risk category. The fast pace of changes to our climate, and to the efforts to tackle climate change, warrant continued investment in our internal capacity to gauge and understand climate-related risks, with a focus on equipping our portfolio companies to be able to take specific operational actions when warranted by assessments of risks and potential impacts. We build internal knowledge and tools to perform detailed, location-specific assessments of the physical risks to which our portfolio is exposed and to quantify this in terms of potential financial impact. We offer training to management and sustainability experts who need to interpret the insights of risk assessments to be able to take appropriate action.

4 Risk management and scenario analysis continued

4.3 Climate-related transition risks

Our analysis has surfaced that transition risks are low for our portfolio companies, as shown in figure 4.2.

Figure 4.2: Climate-related transition risk assessment

CLIMATE-RELATED TRANSITION RISK ASSESSMENT							
Segment*	Entity	HQ location (country)	Operational location (region)	Transition risk			
				Policy and legal	Market	Technology	Reputation
Corporate	Prosus	Netherlands	Western Europe	Low to medium	Low	Low	Low to medium
Classifieds**	OLX	Netherlands	Western Europe	Low	Low	Low	Low
Edtech	GoodHabitZ	Netherlands	Western Europe	Low	Low	Low	Low
	Stack Overflow	USA	North America	Low	Low	Low	Low
	eMAG	Romania	East Europe	Low	Low to medium	Low to medium	Low to medium
Etail	Takealot	South Africa	Southern Africa	Low	Low to medium	Low to medium	Low to medium
	Media24	South Africa	Southern Africa	Low	Low to medium	Low to medium	Low to medium
	iFood	Brazil	South America	Low	Low to medium	Low to medium	Low to medium
Food Delivery	Movile	Brazil	South America	Low	Low	Low	Low
	PayU	India	Asia	Low	Low	Low	Low
	PayU	India	Asia	Low	Low	Low	Low
Payments and Fintech	PayU	India	Asia	Low	Low	Low	Low
Ventures	N/A	N/A	Global	Low	Low	Low	Low

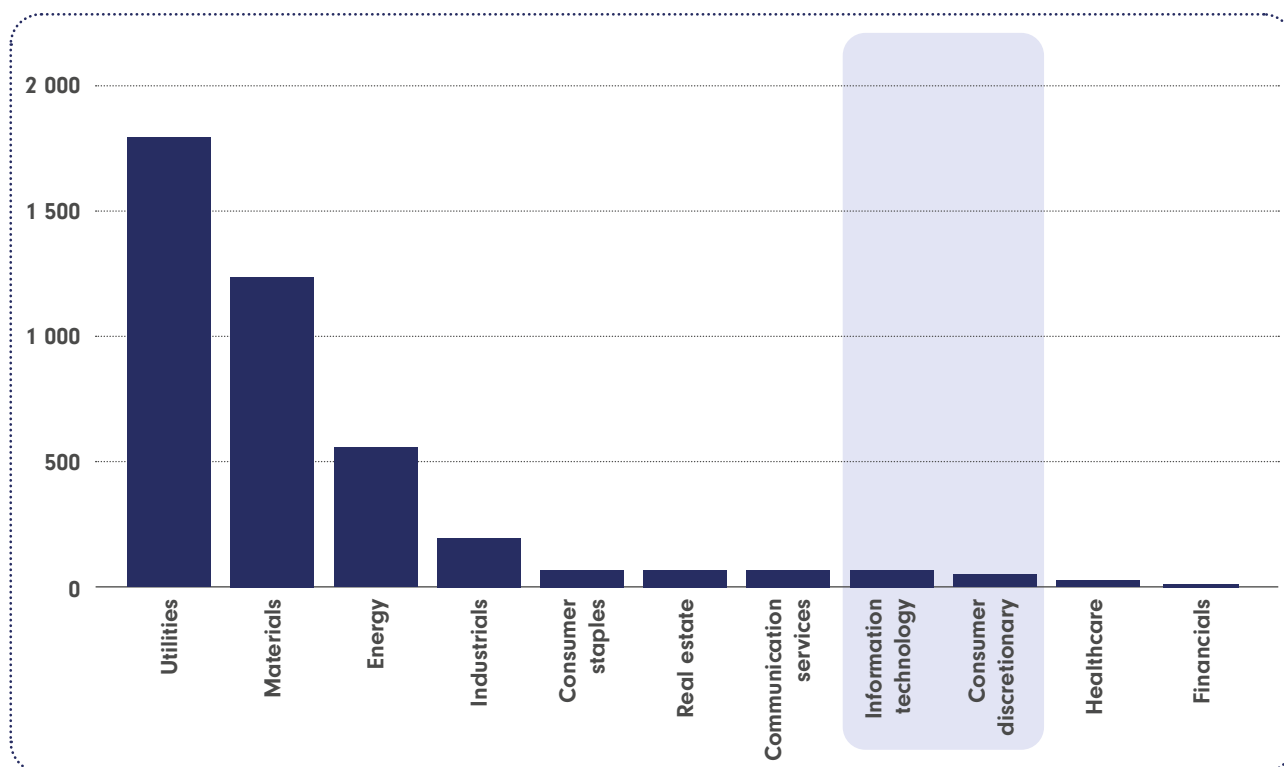
* Investments in social & internet platforms are excluded from this overview.

** Excluding OLX Autos.

The digital nature of our software-driven businesses results in a low direct carbon footprint, which results in low risks of financial impact from regulations that levy costs for carbon emissions. Equally, the strong focus we have on decarbonisation (see our climate transition plan above) means that regulatory transitions risks, like carbon pricing, are further reduced going forward.

Equally, there is a potential for reputational risks to emerge on the back of a larger environmental impact of the Food Delivery and Etail segments, as they use vehicles for transportation and packaging, but this risk is mitigated with a set of actions and targets, as outlined in section 4.6.

Figure 4.3: Carbon intensity of selected industry sectors



4.4 Scenario analysis

In dealing with the uncertainty around exactly how and when our climate will change, scenario analysis is a useful tool to map possible impacts, in particular when value is at risk.

We use comprehensive climate risk analysis to assess climate-related risks across the entire group and their potential financial consequences. This work was created with the support of Trucost's carbon-pricing analysis, which maps these risks and their potential future financial impact against a high, moderate and low-carbon price scenario from now to 2050, based on IPCC (Intergovernmental Panel on Climate Change) RCP 8.5, 4.5 and 2.6 respectively.

This assessment covered both transition risks and physical risks. Its methodology included:

- » Desk-based assessment/primary research.
- » Management interviews involving leaders from across the business.
- » Physical and transition risk assessment to quantify and qualify exposure to different transition risk categories and physical climate hazards.

The physical risk assessment incorporated two phases:

- a) An assessment of physical risk scores for exposure to climate hazards under different scenarios.
- b) An assessment of value at risk. For example, to assess exposure to climate-related policy risk, a database of publicly available information on carbon prices across 100 geographies was used.

The Trucost Carbon Pricing Scenarios include three future carbon price scenarios:

- » High carbon price scenario: This scenario represents the implementation of policies that are considered sufficient to reduce GHG emissions in line with the goal of limiting climate change to 2°C by 2100.
- » Medium carbon price scenario: This scenario assumes that policies will be implemented to reduce GHG emissions and limit climate change to 2°C in the long term, but with action delayed in the short term.
- » Low price scenario: Prices in this scenario are considered likely to be insufficient to achieve the goals of the Paris agreement.

Risks are assessed and quantified against a high, moderate, and low-carbon price scenario from now to 2050. We disclose the results in our annual reports and our submission of the CDP climate questionnaire.

4.5 Risk impact quantification

We distinguish between three categories of potential financial and strategic impacts from climate-related risks:

- » **Operational costs:** Any additional costs arising from a shift in business operations triggered by climate action. For example, for all on-site renewables that would underpin the transition to green energy procurement, the capex for the installation would be a front-loading that would be offset against reduced energy costs over an extended period. We use a threshold of 1% to define significant impact of the costs of transitioning to lower carbon operations. We then justify this cost against the forecast of growth in profits in the future.
- » **Company valuations:** Impact connected to the net asset value (NAV) calculation of our portfolio companies. All our subsidiaries are private, which limits the ability for a real-time objective valuation of their net assets through the stock market and its ESG benchmarking instruments. Therefore, to assess the potential impact of climate-related issues on their NAV, we invest in tools and research to understand how these companies perform on climate against peers and regarding international frameworks like the Paris agreement. To do this, we have invested in, for example, the S&P Corporate Sustainability Assessment tool to be deployed across our portfolio companies as a mandatory ESG assessment tool. We set the threshold for significant impact on company valuation at a total score gap of 10 points compared to the average sector score.
- » **Access to capital:** Our investors are proactively reaching out to us to engage on our climate agenda, and where their engagement is transitioning from generic action on climate to very specific questions on our decarbonisation pathway. We map our performance on climate-related topics through bilateral investor engagements as well as assessments from external third-party rating agencies. We want to ensure that our climate action agenda is understood and valued and that, as a result, our stock is included in the investment universe of both active and passive ESG investors.

4.6 Managing exposure to climate-related risks

Our exposure to climate-related risks is further mitigated via several initiatives, including the proactive aim of several of our portfolio companies to be sustainability front-runners in their markets. Below we have described some climate-related risks and outlined how we are mitigating and managing them.

Climate-related risk strategy	Description	Mitigation strategy
Physical risk – Acute	The companies in our Etail segment with logistics and transport operations in South Africa are exposed to acute physical climate-related risks such as flooding.	Contingency plan to utilise network of decentralised assets and re-route deliveries offers a resilience plan when needed. The training and upskilling of delivery drivers, as well as the provision of insurance products and emergency support, help build a sustainable, reliable delivery service.
Physical risk – Chronic	Delivery of food and ecommerce parcels can be impacted by a changing climate, as it can make the circumstances under which this transportation has to happen more challenging over time. Concentrated supply chains with a large number of critical suppliers and transport links create a higher chance of disruption somewhere along the chain.	Training and upskilling of delivery drivers, as well as providing insurance products and emergency support, build a sustainable, reliable delivery force. Diversification of the supply chain and expansion of the group of business partners, like sellers and restaurants, are key in ensuring low exposure to disruption of the business.
Transition risk – Policy	Our Classifieds, Edtech, and Payments and Fintech segments are digital platforms and have few physical assets, relying only on office buildings and data centres. They therefore have low GHG emissions, meaning they have limited exposure to the risk of climate-related policy interventions.	Our companies strive to take leadership positions in their respective markets when it comes to decarbonisation, to ensure that they are ahead of, or in line with, policy expectations. In our most material markets, we have mapped the country-level net-zero commitments which are an indicator of the level of regulation and policy regulation expected. In none of our most material markets are we expecting disruption from climate-linked legislation. We will continue to monitor and update for the coming years.
Transition risk – Legal	Litigation by civil society or NGOs is considered a risk for the listed entities in our portfolio.	Our strategy is to create societal value by building a digital portfolio, which is not involved in high-emission sectors, and which supports a low-carbon and circular economy. Any pockets of GHG emissions are addressed through our climate transition plan, setting our entire portfolio on a decarbonisation pathway. Listed associates: Tencent has set its science-based target, and Delivery Hero is equally committed to setting its targets soon, putting both on a pathway to decarbonised operations.
Transition risk – Market	Our Food Delivery and Etail segments have an extended supply chain that includes many business partners. Market risks, like changes in consumer preferences or shifts in supply, could impact the business.	Their supply chains and group of business partners are diversified and not concentrated. Furthermore, the activities are expanded from delivery of parcels or food to groceries and other adjacencies, which further builds commercial resilience, by reducing concentration of activities, to mitigate market risks.
Transition risk – Technology	The integration of low-carbon technology for transportation and logistics is happening in the delivery and transportation of food and parcels. As this becomes more the norm in these segments, there is a risk the demand for these technologies outpaces supply, resulting in lower availability or higher costs.	All companies in these segments are running programmes to encourage drivers to adopt low-carbon vehicles, which are built with strong partnerships with third parties that supply, finance, and manage low-carbon transportation vehicles. Because most drivers are third parties, there is limited investment needed for this strategy, which reduces impact of price hikes.
Transition risk – Reputation	Online shopping and food ordering, facilitated by our Food Delivery and Etail companies, can be perceived as polluting due to their reliance on transport and single-use packaging. This exposes Food Delivery and Etail companies to some negative reputation risk.	Our companies all take leadership positions in their respective markets when it comes to decarbonisation. We invest in research to understand how the impact of online shopping can be reduced, like introducing electric vehicles and sustainable packaging.

4 Risk management and scenario analysis continued

4.7 Climate-related opportunities assessment and management

We recognise opportunities in the global transition to a low-carbon economy on five levels:

- 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).**

1 Building a circular economy

Our Classifieds portfolio is a good example of circular economy – where products are kept in use by extending their lifecycles – in action. Classifieds platforms enable the trade of consumer goods, giving them a second or third life, which reduces the need to manufacture new products and to landfill or to incinerate discarded ones, thereby avoiding the GHG emissions and consumption of natural resources.

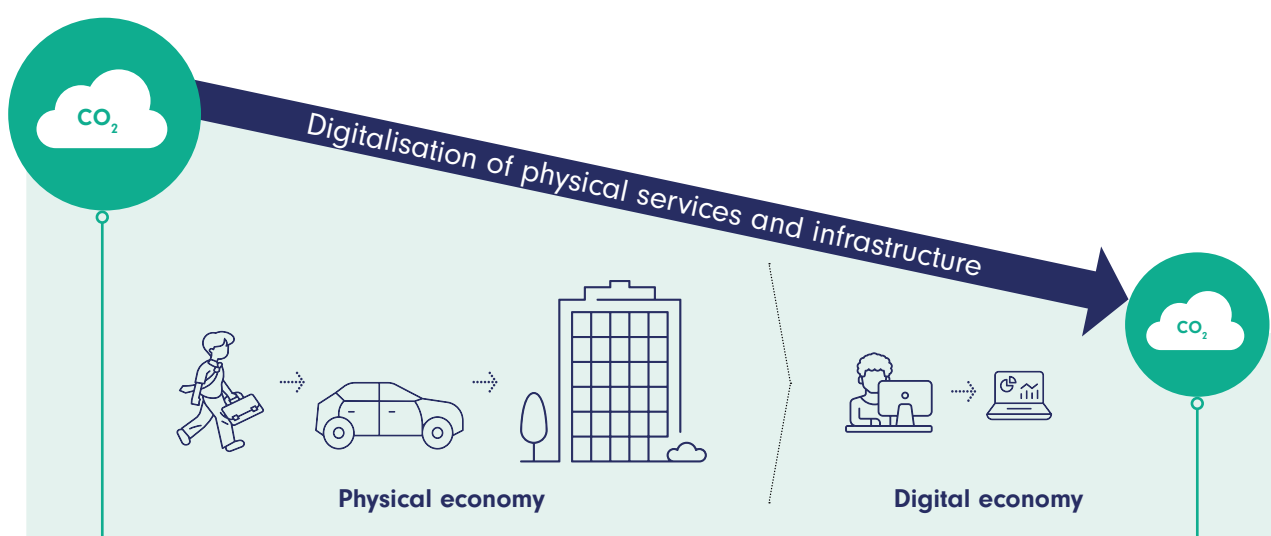
The [annual impact reports](#) of Classifieds platform OLX quantifies this positive impact: it calculates the emissions that

are avoided by enabling its customers to extend the life of goods like TVs, phones, furniture and clothing. In FY23, OLX helped prevent 5.2 million tonnes of GHG emissions through the trade of 26 million products, equal to planting 31 million trees. The power of digital platforms to contribute exponentially to a low-carbon society becomes clear when we compare these avoided emissions to the direct operational emissions of OLX, which were 49 000 tonnes CO₂eq, which is only 0.1% of the total benefit.

2 Core business models contributing to the transition to a low-carbon economy

Building a net-zero society requires not only changing our energy systems, it also requires transforming how we live our lives, the products we buy, the food we eat and the services we use. Dematerialisation of services powered by digital technologies can contribute to building such a society (figure 4.4). Consider the carbon footprints of a student who follows an online course, of a consumer having products delivered to their home, or a customer paying a bill online. Their footprints can be lower because they do not engage with the offline alternatives of going to school and universities, using a car to go shopping or paying with cash at the shop. The digital services of Edtech, Etail, and Payments and Fintech that allow for these online services can support bringing our way of living in line with a low-carbon economy.

Figure 4.4: Digitalisation leads to dematerialisation of services



Our approach to these opportunities is firstly to quantify the positive impact of dematerialising services through data-based research and then to use the results to better advise our platforms how to motivate consumers and other users to further reduce their footprints. For example, online grocer Oda has done a study that shows that an average customer in Norway, who sometimes drives to the store, can reduce their CO₂ footprint by up to 60% by having food delivered to their home. Lifecycle analysis and other data-based comparative studies will enable us to develop these insights further and consequently promote the accelerated uptake of sustainable practices.

3 Investing in new low-carbon ventures and growth markets

Through our Ventures arm, we are increasing our focus on sustainable investments that use low-carbon technologies or help adapt to a changing climate. For instance, the Ventures arm invests in companies in the agtech (agriculture technology) industry that applies sustainable digital solutions by using soil biology and AI-based analytics to increase yields and crop health. Some examples of investments in its portfolio include:

- » Creating nature-positive solutions through technology: Portfolio company Biome Makers integrates soil microbiology into agricultural decision-making to optimise farming practices and reverse the degradation of arable soils.
- » Sustainable food production: Portfolio company EVERY aims to create a structural shift in the food industry by sourcing animal-free protein through DNA sequencing and precision fermentation to meet increasing consumer demand for sustainable food production.
- » Low-carbon urban micro-mobility: Company Dott is offering electric rental scooters and bikes for easy access and sustainable mobility in cities across Europe.

4 Greening transport and delivery

Electrification of transportation and decarbonising mobility is critical in establishing a net-zero economy. For our Food Delivery and Etail companies, this is a critical agenda to make their business future-proof. The opportunities lie mostly with the owned delivery fleet of our Etail companies (first party), while our Food Delivery companies mostly use third-party delivery partners. Shifting from internal combustion engines to electric vehicles like bikes, motorcycles and cars has several benefits as it reduces operational costs for fuels and improves the sector's reputation as it moves to clean, non-polluting modes of transportation.

5 Increasing the benefits of decarbonisation strategies

Opportunities arise when making investments to reduce carbon emissions that also have wider benefits, contributing to the business's operational performance and its societal impact. For instance, the investment of iFood and Takealot in electric bikes reduces GHG emissions from the delivery of food and parcels as well as expands the pool of drivers available to the business. This is because young people do not need a licence to drive e-bikes (which are also very efficient). So the investment in e-bikes increases job opportunities for struggling job seekers, helping them build financial capital and start their careers. Another example is the investment in on-site solar energy, which reduces reliance on electricity from the national grid and reduces impact from periods of disrupted electricity supply.

5 Biodiversity and resource use

5.1 Biodiversity

Biodiversity loss is a growing concern. Understanding the impacts this loss has on the natural world, and then reversing them, is challenging due to the complexity of the natural systems involved and the speed of the changes that are happening to them. We welcome the TNFD framework for enhancing the understanding of the impacts the economy has on the natural world, how dependent the former is on the latter, and the actions we can take to restore nature.

For climate change, the business community already has a mature impact frameworks and accounting standards to guide and codify industry best practice. For biodiversity, frameworks such as the TNFD are new, with most of industry at the initial stages of applying them and understanding the impacts, risks and opportunities. We too are on our journey to map and define our impacts and dependencies on natural resources in our value chain.

The nature of our business implies that it has a limited impact on the natural environment and that it uses few natural resources to create its core products and services. Our portfolio – which comprises digital technology platforms such as Classifieds, Payments and Fintech, Food Delivery and Edtech – are in urban areas. Their supply chains – which consist mainly of professional services such as consultants, developers, cloud storage and data centres – are also mostly found in urban areas, where the potential negative impact on globally or nationally important biodiversity is low.

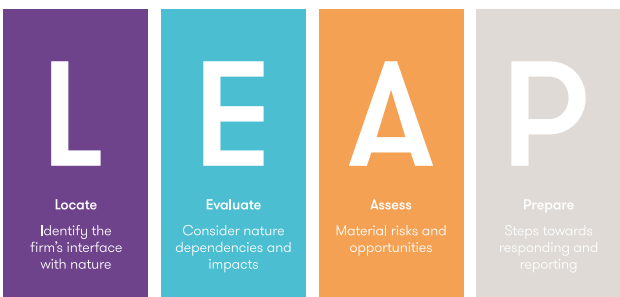
Biodiversity risk assessment

As with climate-related risks, we are building awareness of biodiversity at our portfolio companies to enable them to foster a deeper understanding of where their businesses are exposed to risks and dependencies and what they can do to reduce negative impacts. For instance, we are mapping the indirect biodiversity risks of our Food Delivery segment via its extended value chain link with food, agriculture, and land use.

Impact area	Key performance indicator
Biodiversity	» Locate (mapping) hotspots of biodiversity impact and dependency » Identifying opportunities to restore biodiversity

Applying the TNFD LEAP method, we will:

- » Map the biodiversity impacts of our portfolio companies (locate and evaluate).
- » Identify hotspots (assess).
- » Make a start by helping our portfolio companies define a response, set targets and track progress (prepare).



Increasing data quality and coverage will be an inevitable area of development.

As external reporting standards on biodiversity evolve, we commit to adapting our practice in line with new appropriate benchmark frameworks like the TNFD. We recognise the value of transparency and commit to investigating new standards and report on progress where appropriate.

Commitment to zero deforestation

Our commitment to zero deforestation across our businesses focuses on greenfield developments and paper-based products:

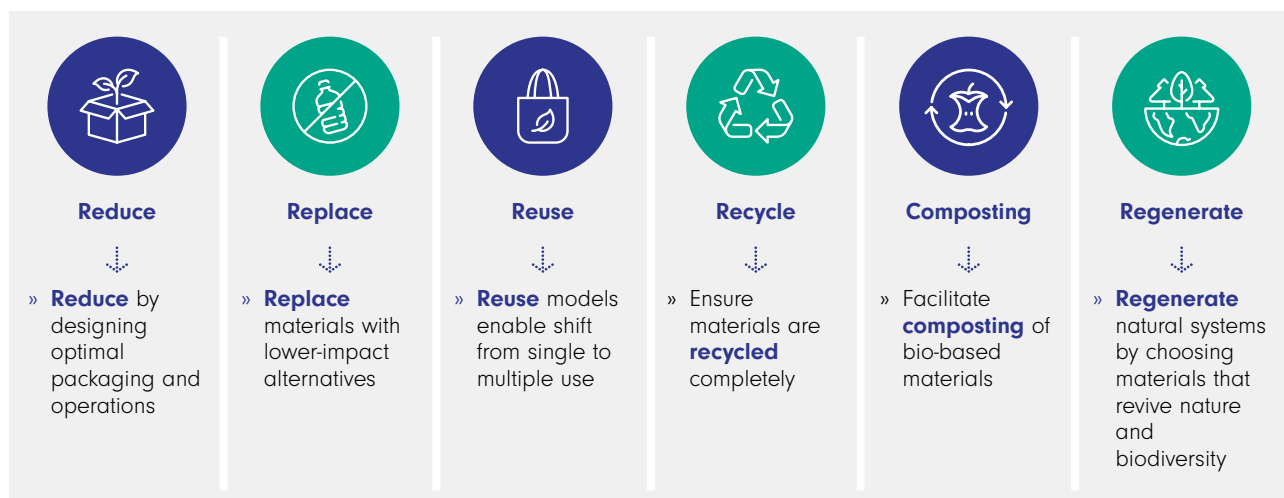
- » We commit that no high-biodiversity area will be cleared or converted for the development of new sites for our businesses.
- » We commit to procuring FSC (Forest Stewardship Council) paper and cardboard products by our Food Delivery and Etail businesses where possible and feasible, and to increase the share of FSC-certified products we purchase.

A few of our portfolio companies are engaged in significant biodiversity projects that help make important positive impacts on their natural environments such as conserving nature and delivering ambitious GHG emissions reduction goals. We encourage such investments and partnerships.

5.2 Sustainable packaging

In our Food Delivery and Etail segments we have determined that packaging is a material environmental risk category. We therefore play an active role in supporting companies in our portfolio to develop impactful strategies relating to packaging, in order to prevent waste and use more sustainable materials and solutions. In the absence of a global framework on how to approach sustainable packaging, we have developed [our own principles and approach](#) at group level, based on the below six principles of sustainable packaging (figure 5.1). We use these principles to engage and support relevant businesses.

Figure 5.1: Sustainable packaging principles



Framework for sustainable packaging

We believe that delivery platforms can play an accelerating role in scaling the sustainable use and disposal of packaging. Platforms are powerful aggregators. They can set the rules for the marketplace, push the boundaries of sustainability efforts, and significantly help scale innovation in materials and solutions. They can support partners and help them showcase their sustainability efforts while attracting sustainability-conscious consumers.

This insight has inspired us to articulate 10 golden rules for digital delivery platforms to scale sustainable packaging across their own operations and their value chains (see figure 5.2).

Figure 5.2: 10 golden rules to scale sustainable packaging



5 Biodiversity and resource use continued

Our Food Delivery and Etail portfolio companies work on several actions to implement these golden rules, including:

- » providing affordable sustainable packaging to restaurants
- » building in-app solutions that help customers choose sustainable restaurants and sellers, and
- » working with cities and the informal waste-picking sector to build a more effective recycling system.

We collect data from our portfolio companies on their packaging and track performance on key indicators, which we report annually in our annual environmental impact report.

Impact area	Key performance indicator
Packaging	» Packaging footprint measurement (processed and procured packaging) » Share of recycled content » Share of FSC-certified content

Through a specialised working group at the corporate group level for all the companies in our portfolio that use packaging, we are focused on identifying scalable and systemic sustainable packaging solutions.

5.3 Water and waste

Our assessment showed us that water and waste (not related to packaging) are non-material topics and therefore do not require detailed management beyond the below approach.

Corporate water use

For Prosus' headquarters in Amsterdam, where most of our employees are based, the only water usage is municipal water for our office space. The office is part of the municipal ecosystem where water treatment facilities clean sewer water before releasing it into surface water. Our office in Amsterdam is BREEAM-certified (BREEAM certificate number: 1488-BIU-2016), meaning its water consumption, efficiency and management are tracked. We report the water-use data in our annual [environmental impact report](#).

Portfolio companies' water use

Water is not a material input for our businesses that are web-based, digital platforms with asset-light operations and limited physical infrastructure, and do not involve manufacturing or processing activities. Their primary water use is municipal water for limited office infrastructure. Furthermore, our portfolio companies use cloud-based services (from providers like AWS, Azure, and local companies) and do not own data centres that would rely on water for cooling. Consequently, there is no direct responsibility or control over water use in operations, which lies with their suppliers and business partners.

In our assessment of climate-related physical risks, we have considered the potential impact of water-related risks (eg flooding or drought) and have concluded that water stress is currently not a significant risk factor that requires an extended risk management programme. We continue to perform these assessments and will reconsider our position if our portfolio changes, or the local environmental conditions in which our portfolio companies operate change (see the climate-related risk assessment section above for more information).

Waste in portfolio companies' operations

The same non-materiality assessment applies to waste. The offices used by our businesses are serviced by professional waste management operators that collect and recycle the waste stream in alignment with local recycling infrastructure. For example, our corporate head office in Amsterdam benefits from the very high collection and recycling rates in the Netherlands. Data on the waste generated in our Amsterdam headquarters is disclosed in our annual [environmental impact report](#).

Waste generation is only material for our Etail businesses, where packaging is sometimes removed from products that are received from sellers on the Etail platforms, before being repackaged for shipment to the end consumer. When packaging has to be removed, professional waste management companies are hired to ensure high rates of recycling, with a focus on low incineration and burial. Data on this flow of materials is reported in our annual [environmental impact report](#).

The use of sustainable packaging materials in our Food Delivery and Etail segments is described above.

6 Circular economy

We need to transition from a take-make-waste system to a circular economy. A circular economy is more than recycling; it is a commercial system that enables consumers to live the lives they want but without negative environmental impacts. A critical element of such a system is keeping products in the economy by extending their useful lives. Our Classifieds platforms make this possible by facilitating the trade of second-hand products. Classifieds platforms unlock the value of everything a consumer uses and thereby create a positive space in which we need significantly fewer materials and create much less waste by avoiding the need to make as many new products.

Impact area	Key performance indicator
Circular economy	» Avoided GHG emissions » Avoided use of materials and resources from extension of product lifecycles

Environmental impact avoided

Classifieds platform OLX has taken a leadership role since 2019 in calculating the environmental contribution of the trade of second-hand products. In its annual [environmental impact report](#), the company uses lifecycle analysis methodology to establish the avoided emissions, use of materials, water and energy by extending the life of millions of items sold, such as tablets, phones, clothes and cars on its platforms across multiple countries.

Glossary

Term/Acronym	Description
Agtech	Agricultural technology used to innovate and improve efficiency, profitability and/or sustainability of agricultural practices across the value chain.
Associate	An entity over which we have significant influence, being the power to participate in the financial policy decisions of the entity through our influence on the board of directors. Typically, an entity in which we have an interest of 20% to 50%.
Circular economy	An economic system in which waste and pollution are designed out of materials and products that are circulated within the economy and regenerates our natural environment.
Corporate	Corporate entities which have offices include the Netherlands, United States (Ventures), India, United Kingdom and Hong Kong, and corporate employees shall mean people employed at these offices who are employed by the corporate entities.
Edtech	Educational technology, marrying learning with technology, enabling new and exciting ways for more people to add to their skills and knowledge.
First party	In the context of food delivery and etail, a capital-intensive own-delivery model.
FSC (Forest Steward Council)	International, non-governmental organisation dedicated to promoting responsible management of the world's forests, and the world's most respected and widespread forest certification system.
Group	Naspers, including its subsidiaries (majority-owned companies), associates (minority investments) and joint ventures.
Investment or investee	An entity over which we don't have significant influence, being the power to participate in the financial and operating policy decisions of the entity. Generally an entity in which we have an interest of less than 20%.
Majority-owned company	Portfolio company in which we have a majority shareholding, over which we have financial control (also referred to as subsidiary).
Minority investments	Portfolio company in which we have a minority shareholding, over which we exercise significant influence, but which it does not control (also referred to as associate).
Plastics Pact	National and regional, voluntary initiatives which bring together key stakeholders, both public and private, to implement solutions towards a circular economy for plastic, tailored to each geography.
Portfolio companies	Subsidiaries, excluding corporate.
Sustainable aviation fuels (SAF)	Renewable fuel for aeroplanes made not from fossil fuels but from sustainably sourced, renewable resources that can be mixed with any fossil jet fuel to reduce emissions.
Science-based climate targets	Decarbonisation targets that are aligned with the Paris climate agreement to keep global warming to 1.5°C.
Science-based Targets initiative (SBTi)	A partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), driving ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.
Scope 1 emissions	Scope 1 emissions are direct GHG emissions that arise from sources which organisations own or control. In order to determine control, the group will recognise emissions from owned and controlled assets as direct emissions.
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions that organisations report from the generation of purchased electricity that is consumed for operations owned or controlled. The group will account for electricity purchased for both owned and rented buildings under scope 2.
Scope 3 category 1 emissions	This category includes all upstream emissions from production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).
Scope 3 category 6 emissions	This category includes GHG emissions from the transportation of employees for business-related activities through air travel. Business travel includes only corporate office data and excludes all subsidiaries.
Scope 3 category 1 emissions	This category includes all upstream emissions from production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).

Term/Acronym	Description
Subsidiary	An entity that we control evidenced by: » owning more than one half of the voting rights » the right to govern the financial and operating policies of the entity under a statute or an agreement » the right to appoint or remove the majority of the members of the board of directors, or » the right to cast the majority of votes at a meeting of the board of directors.
Third party	In the context of food delivery and etail, a capital-light marketplace model where meals and parcels are delivered by third-party delivery drivers.
Value chain	The network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of products and services.

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