prosus

Environmental impact report

2021

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.

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Introduction

Introduction

Prosus is a global consumer internet group and a long-term technology investor. We combine our global reach with local expertise, building meaningful businesses in online classifieds, food-delivery, payments and fintech, and education technology sectors in high-growth markets. We serve communities around the world through our portfolio of digital platforms that operate asset-light, low-carbon business models.

Environmental impact and emissions data reporting is business-activity, location and market specific. For us, environmental impact reporting is about being transparent and taking action to protect our planet.

We describe our environmental strategy, governance, risks and opportunity assessment, along with our targets and commitments in our environmental sustainability programme. This annual environmental impact report provides an update on the progress made against our environmental commitments and targets over the year gone by, and it also shares a perspective on the key objectives for the year ahead.

In this report we include three scopes of our environmental impact:

1. Our own operations (direct and indirect emissions)
2. Our extended operational activities (indirect supply chain emissions)
3. Our investment portfolio (indirect emissions)

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

Environmental performance indicators

Across our diverse group of companies, we have defined a key set of environmental data points on which we collate and report performance updates on an annual basis. These allow us to apply a consistent approach in the measurement and reporting of our performance on most material environmental impact areas.

Table 1: Environmental performance indicators

Impact area	Environmental indicators	Reference FY23 report
Climate	Scope and maturity of GHG emissions reporting	Table 9, page 7
	Carbon intensity (revenues)	Table 13, page 8
	Share of renewables in electricity use	Table 14, page 9
	Investments in climate positive solutions	Table 15, page 9
Biodiversity	Locating of nature interfaces	[to be published next year]
Packaging	Measurement of processed packaging	Table 17, page 11
	Measurement of procured or used packaging	Table 18, page 11 and table 19, page 12
Circular economy	Avoided GHG emissions	Table 22, page 13
	Avoided use of materials and resources	Table 22, page 13

Climate

Over the past five years, we have been tracking, reporting and auditing our carbon emissions data annually. The scope 1 and 2 emissions data of Prosus corporate, as well as that of its portfolio companies where it has a controlling interest, go through an audit engagement every reporting cycle as 'affiliates' to the Naspers group (the majority shareholder of Prosus group) and it has obtained limited assurance for the past four reporting years (FY20 to FY23).

We include historical data from FY20, which is the base year for our climate target setting for a comprehensive overview of our emissions inventory.

Climate data – Our own operations

Our corporate operations that meet the materiality threshold to be included in our emissions reporting is limited to offices in five locations around the world. These emissions generated are consequent to the provision of a workplace for our corporate employees, and related use of resources are included in the scopes 1, 2 and 3 reporting.

Table 2: Scope 1 and 2 emissions of corporate operations

Scope 1 and 2 emissions of corporate operations

Emissions category	FY23	FY22	FY21	FY20
Scope 1 – direct energy consumption (tCO_2e)	**16**	15	15	31
Scope 2 – indirect energy consumption (market-based) (tCO_2e)	**67**	36	31	7

Table 3: Energy consumption of corporate operations

Energy consumption data of corporate operations

	FY23	FY22	FY21	FY20
Total energy consumption (MWh)	**492**	249	181	162
Energy from fossil fuels (MWh)	**65**	62	58	118
Energy from purchased electricity (MWh)	**427**	187	123	44
Share of renewable energy	**65%**	51%	28%	18%
Share of non-renewable energy	**35%**	49%	72%	82%

Table 4: Emission intensity of corporate operations

Emission intensity of corporate operations

	FY23	FY22	FY21	FY20
Emission intensity (tCO_2e/employee)	**0.3**	0.2	0.2	0.2

Scope 1 emissions

We use emission factors from the Intergovernmental Panel for Climate Change (IPCC) to calculate scope 1 emissions. Scope 1 emissions from our corporate offices are consequent to the use of fossil fuel-based vehicles. The Amsterdam office uses renewable energy for heating and cooling purposes with the Aquifer Thermal Energy Storage system (ATES), which extracts/injects groundwater to achieve heating and cooling of the building.

The reduction observed in scope 1 emissions from FY20 is the result of reducing the number of leased cars from 11 in FY20 to five in FY23 and running fewer kilometres per car. In FY23, we decided to dispose of all internal combustion engine vehicles from our corporate office's asset register to ensure we achieved the target to reduce scope 1 from our operations to zero, which was a key metric in our group CEO and CFO's short-term incentives (see the remuneration section in our FY23 annual report).

Scope 2 emissions

Purchased electricity for our corporate offices and to power our electric vehicles, accounts for our scope 2 emissions (two electric and two hybrid cars at the Amsterdam office). With all our Prosus offices being leased premises, the electricity usage is prorated as per the occupancy of office space and common space as defined by the lease agreements. The majority of our corporate employee population is based at the Amsterdam office. We have four other leased office facilities within our reporting boundary where we have more than 10 employees: London, San Francisco, Hong Kong and Bengaluru. A small number of employees work permanently from their home offices. We procure 100% renewable energy for our Amsterdam and London offices.

The increase in scope 2 emissions from FY22 to FY23 is reflective of the addition of two office locations (London and Bengaluru) under our scope of reporting. In FY23, we implemented three core actions to ensure we reach our target to reduce scope 2 emissions to zero, which was a key metric in our group CEO and CFO's short-term incentives:

1. where possible, we engaged with our leasing agency to install on-site solar panels;
2. where available on the grid, we procured green energy; and
3. for all remaining energy consumption, we procured equivalent renewable-energy certificates.

For this coming year, it is our intention to continue making further progress on this pathway and increasing the ratio of green-energy procurement to renewable-energy certificates.

The market-based method includes emissions calculations that consider the purchasing decisions based on contractual emissions. For grey electricity, the emission factors used are derived from the Internal Energy Agency (IEA).

Climate data – Our supply chain

A large portion of the emissions in our extended value chain are under the control of our suppliers and business partners and we expect our suppliers to take action to report and reduce their environmental footprint (see our supplier code of conduct) when we do business with them.

Scope 3 emissions

We are continuously working to improve on our scope 3 measurements and disclosures that enable us to better manage emissions arising from the category of activities that are material to our operations and business. FY20 has been defined as our base year for our climate targets. For comparability of our emissions profile over the four-year period, we include data from FY20 to FY23 (our current reporting year) in this report.

Table 5: Scope 3 emissions corporate operations

Scope 3 emissions of corporate operations

Scope 3 emissions category	**FY23 (tCO_2e)**	FY22 (tCO_2e)	FY21 (tCO_2e)	FY20 (tCO_2e)
Category 1 – Purchased goods and services	**3 848**	4 254	3 164	2 472
Category 2 – Capital goods	**271**	39	0	0
Category 3 – Fuel and energy-related activities	**38**	12	10	9
Category 4 – Upstream transportation and distribution	**4**	6	4	7
Category 5 – Waste generated in operations	**1**	1	1	2
Category 6 – Business travel	**2 133**	325	–	5 303
Category 7 – Employee commuting	**61**	70	8	31
Total	**6 356**	4 651	3 262	7 831

Table 6: Scope 3 category 1 – purchased goods and services emissions of corporate operations

Scope 3 category 1 emissions

Category 1 breakdown	**FY23 (tCO_2e)**	FY22 (tCO_2e)	FY21 (tCO_2e)	FY20 (tCO_2e)
Consulting fees	**2 188**	2 222	2 263	1 390
Insurance fees	**569**	610	164	57
Subscriptions	**469**	341	252	304
IT costs – software	**243**	579	177	276
Other	**211**	177	156	138
Staff costs	**67**	221	79	143
Marketing and donations	**59**	27	59	75
Office rent and maintenance	**42**	76	18	96
Total	**3 848**	4 254	3 167	2 479

Supplier engagement programme

At our corporate operations, more than 95% of our procurement activities are related to professional services such as consultants, lawyers, accountants and auditors. The small volume of products we procure are IT hardware and other office supplies. Consequently, we do not have any business-critical or significant suppliers, but we work with a range of trusted business partners that support our work.

In FY23, we had commercial relationships with roughly 3 400 suppliers. Our entire supplier base is screened for compliance with ESG standards, on human rights and environmental performance, using a third-party tool assessing our suppliers 24/7 to help identify any areas of concern. The tool alerts us if any risks are identified, which allows us to either accept the risk, engage the supplier for further information and/or corrective measures or start a process of removing the vendor from our supplier base.

This year, we articulated the ESG standards and behaviours we expect of our suppliers in our supplier code of conduct and we will implement the necessary processes and policies to make this code part of our procurement and commercial relationships and contracts with our supplier base. We anticipate realising a full coverage of our supplier contracts in the coming years, as we apply a phased implementation following the natural expiry and renegotiations of existing contracts. All corporate employees who engage with suppliers are informed of our process of ESG risk management in our supply chain and supplier code of conduct.

During FY23 we conducted an engagement pilot with our most significant corporate suppliers based on spend, requesting absolute data on their emissions and information on their climate plans. We wanted to test and better understand if our suppliers are collating their emissions and are able to provide GHG emissions data relative to the scope of their services to us. Furthermore, we were keen to assess how many of our vendors are taking climate action by setting targets and reporting their emissions data. Below are the results from this pilot:

Table 7: Supplier engagement pilot results

Supplier engagement data	Share
Suppliers included in engagement survey (% of total spend)	37%
Suppliers responded to survey (% of total spend)	30%
Suppliers that provided primary GHG data (% of total spend)	30%
Suppliers that have climate targets (% of total spend)	30%
Suppliers with verified science-based targets (% of total spend)	16%
Primary data GHG emissions reduces emissions estimations with (%)	90%

90% of the suppliers included in the pilot, representing 30% of our total FY22 procurement spend, shared their primary emissions data with us. However, only a few were able to allocate the exact emissions associated with the contracted work or supplied services. Most suppliers were able to provide their emissions intensity per revenues. This allowed us to make a more accurate calculation of the emissions generated from their services, compared to a spend-based method using average GHG emissions intensities per industry that we had used the year before. A critical insight for us was that compared to calculations based on extrapolations using average sector emissions intensity, emissions collated-based primary data received from our suppliers were 90% lower. Which is a strong incentive for us to continue on the supplier engagement programme going forward.

We also learned that 30% of our supplier base (based on spend) have set climate reduction targets. Moreover, most of these targets are verified by SBTi, representing about 16% of total spend. While this a relatively high share (globally, about 4 000 companies have set science-based targets, on a total of over 300 million companies, less than 1%), we recognise we have a role to play in encouraging and supporting our suppliers to start or increase their efforts on climate. The roll-out of our supplier code of conduct supports this opportunity, by defining climate accounting, the basis of climate action, as a clear expectation of all our suppliers.

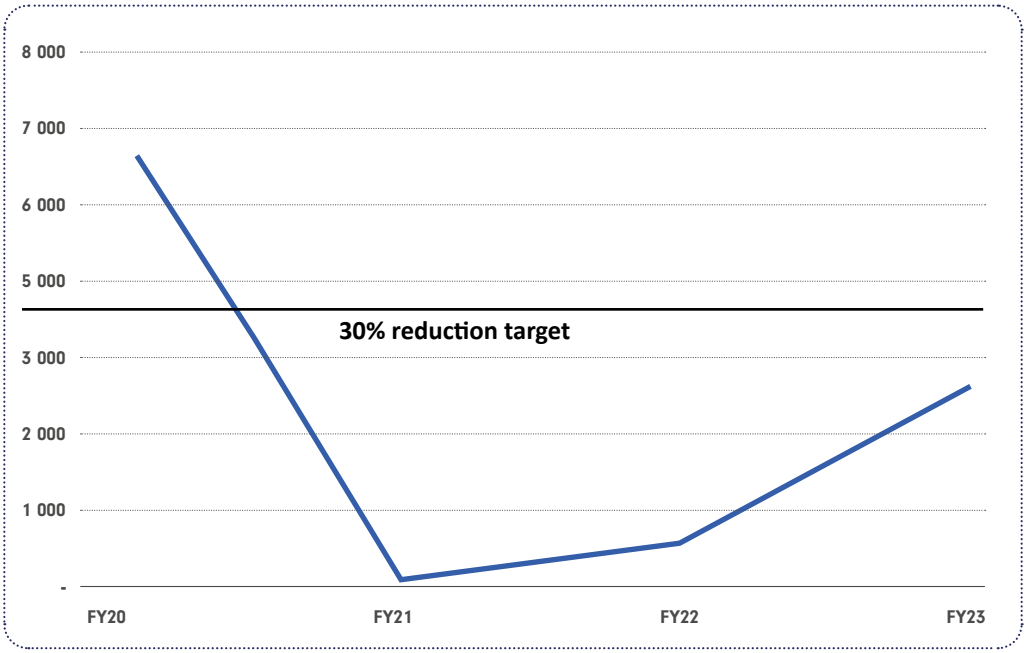
Table 8: Scope 3 category 6 emissions of corporate air business travel

A substantial source of GHG emissions is our business travel, resulting from the need to engage with and grow our geographically diversified investment portfolio. Consequently, we have set a target of a 30% reduction in our corporate air travel emissions by FY30, with the base year as FY20.

Scope 3 category 6 emissions – emissions from air business travel

Travel data	FY23	FY22	FY21	FY20
Distance (passenger kilometre)	**6 003 369**	566 248	608 912	22 181 600
Emissions (tCO_2e)	**2 133**	325	72	5 303

Figure 1: Naspers and Prosus: Travel emissions trend against reduction target



The steep reduction of air travel emissions in the years FY21 and FY22 resulted from the impact of the Covid-19 pandemic when travel was not possible. This has taught us to embrace technology to continue to do our work and collaborate with colleagues and business partners across the world.

In FY23 we moved to a new travel agent to book, manage and report our business travel. The advantages of using this agent are consistency and higher quality of data and measurements, and more real-time tools and insights for the management of travel. During the second half of FY23 we saw a sizable reduction in corporate staff, which will have a longer-term result in lowering the emissions from air business travel. Equally, cost containment and reduction of staff members will result in a continued reduction of travel and associated emissions.

Climate data – Our investment portfolio

Our investment portfolio generates 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.

It is important to note that the composition of our portfolio can be significantly dynamic due to the nature of our business activities as an investor. Significant new acquisitions and/or unbundling of holdings can materially impact the boundaries within this category. Furthermore, as our portfolio companies mature in their GHG emissions accounting, the scope and robustness of their emissions data will also improve.

Portfolio companies

High-quality carbon accounting is the backbone of climate action, and proactively support our portfolio companies to measure and report their GHG emissions. It is our shared objective to increase the scope and maturity of emissions reporting every year, ultimately establishing the reporting of full scope data, audited externally with reasonable assurance, in support of a multi-year science-based reduction target.

Table 9: GHG reporting indicators of portfolio companies

GHG reporting indicators				
Portfolio company	**Scope of reporting**		**Maturity of reporting**	
	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
eMAG	Full scope	No reporting	3	1
iFood	Full scope	Material category	3	2
Movile	Full scope	No reporting	3	1
OLX	Full scope	Material category	3	2
PayU	Full scope	Material category	3	2
GoodHabitz	Full scope	No reporting	3	0
Stack Overflow	Full scope	No reporting	3	0

0: No accounting 1: First-phase data collation 2: Readiness review 3: Limited assurance 4: Reasonable assurance

The scope 1 and 2 emissions from our subsidiaries are included under this category. FY23 was the first year of reporting scope 1 and 2 emissions for GoodHabitz and Stack Overflow since their acquisition in FY22.

Table 10: Scope 1 emissions of portfolio companies

Scope 1 emissions

Portfolio companies	**FY23 (tCO_2e)**	FY22 (tCO_2e)	FY21 (tCO_2e)	FY20 (tCO_2e)
eMAG	**12 602**	12 975	5 714	4 867
OLX	**688**	389	196	13
iFood	**1**	2	1	–
Movile	**–**	–	–	–
PayU	**364**	331	420	88
GoodHabitz	**135**	n/a	n/a	n/a
Total	**13 790**	13 698	6 331	4 968

Table 11: Scope 2 emissions of portfolio companies

Scope 2 emissions

Portfolio companies	**FY23 (tCO_2e)**	FY22 (tCO_2e)	FY21 (tCO_2e)	FY20 (tCO_2e)
eMAG	**2 686**	4 417	3 943	5 126
OLX	**3 249**	4 078	1 682	2 480
iFood	**524**	78	83	108
Movile	**55**	50	50	65
PayU	**1 278**	1 189	1 096	1 285
GoodHabitz	**21**	n/a	n/a	n/a
Stack Overflow	**51**	n/a	n/a	n/a
Total	**7 863**	9 812	6 854	9 064

Table 12: Total scope 1 and 2 emissions of portfolio companies

Scope 1 and 2 emissions

Portfolio companies	**FY23 (tCO_2e)**	FY22 (tCO_2e)	FY21 (tCO_2e)	FY20 (tCO_2e)
eMAG	**15 288**	17 393	9 657	9 993
OLX	**3 937**	4 467	1 878	2 493
iFood	**525**	80	84	108
Movile	**55**	50	50	65
PayU	**1 642**	1 521	1 516	1 373
GoodHabitz	**156**	n/a	n/a	n/a
Stack Overflow	**51**	n/a	n/a	n/a
Total	**21 653**	23 510	13 185	14 032

Notable changes in GHG emissions from FY22 to FY23 are:

» eMAG: Scope 2 emissions have reduced significantly due to the increase in the renewable-energy mix in Romania's grid, where eMAG has most of its operations.
» OLX: Scope 1 emissions have increased due to the growth of leased cars in their LetGo division. A number of OLX office facilities and inspection centres closed down, resulting in a reduction in scope 2 emissions.
» IFood: In FY23 iFood has included dark stores from their grocery business into the scope of accounting, leading to a significant increase in their emissions.
» PayU: Scope 2 emissions show an increasing trend due to an increase in employees returning to the PayU India offices post the Covid-19 pandemic.
» GoodHabitz and Stack Overflow, two recent acquisitions, were included in our scope 1 and 2 emissions accounting and reporting.

To assess progress on the decarbonisation journey of our portfolio companies and be able to benchmark their performance to sector peers we use the carbon intensity metric as it provides us a better oversight on their ability to decouple their business growth from GHG emissions.

Table 13: Emission intensity of revenues of portfolio companies

Emission intensity by revenue of portfolio companies

Portfolio companies	**FY23 (tCO_2e/US$'m)**	FY22 (tCO_2e/US$'m)	FY21 (tCO_2e/US$'m)	FY20 (tCO_2e/US$'m)
eMAG	**7.9**	7.7	4.3	7.3
OLX	**2.9**	2.1	1.8	2.3
iFood	**0.4**	0.1	0.1	0.3
Movile	**0.5**	0.5	0.3	0.4
PayU	**1.8**	2.2	2.9	3.6
GoodHabitz	**4.1**	n/a	n/a	n/a
Stack Overflow	**0.5**	n/a	n/a	n/a

» eMAG has seen a jump in emissions in FY22, while its revenues have seen a slight decline over the years, resulting in a higher intensity number due to general market circumstances. eMAG has several programmes, such as installing solar panels and increasing electric vehicles, that reduce its scope 1 and 2 emissions.
» OLX's revenues decreased with 37% after deciding to exit its Autos business, which resulted in higher carbon intensity and impacting the comparability of the indicator across the years.
» PayU kept its emissions steady while it increased its revenues, showing a decline in the intensity and thereby a decarbonisation of its business.
» While iFood was successful in growing its revenues with 38%, its intensity figure was impacted by the higher growth of its emissions (+500%) after growing its use of dark stores for its grocery delivery business. The network of these stores is carefully tested and optimised, triggering future developments in this area.

Table 14: Energy consumption of portfolio companies

Energy consumption of portfolio companies

Portfolio companies	FY23	FY22	FY21	FY20
eMAG (MWh)	**73 531**	76 024	37 848	31 683
IFood (MWh)	**5 612**	758	715	1 452
Movile (MWh)	**585**	475	412	742
OLX (MWh)	**9 548**	10 641	4 163	4 234
PayU (MWh)	**3 314**	2 888	2 880	2 836
GoodHabitz (MWh)	**779**	n/a	n/a	n/a
Stack Overflow (MWh)	**442**	n/a	n/a	n/a
Total non-renewable-energy consumption (MWh)	**79 035**	86 554	41 997	40 948
Total renewable-energy consumption (MWh)	**15 268**	4 233	4 021	–
Renewable energy (%)	**16%**	5%	9%	0%
Non-renewable energy (%)	**84%**	95%	91%	100%

The primary contributors to the increase in energy consumption for FY23 are the increase in number of operating sites belonging to Takealot, increase in operating activities at Takealot, and the inclusion of dark stores under iFood's reporting boundary.

Renewable-energy consumption has increased due to the instalment of solar panels in several of eMAG's distribution centres, and the move from non-renewable contracts to green contracts for some locations.

Furthermore, renewable-energy generation has increased due to the installation of solar panels in several of eMAG's distribution centres, and the transition to increased green-energy procurement at some of the locations.

Table 15: Investments in climate solutions

The table below provides an overview of operational expenditure (opex) and capital expenditure (capex) investments in climate solutions. Decarbonisation requires our portfolio companies to make investments in technology solutions, such as renewable-energy and low-emissions transportation for delivery. This has to be balanced against a groupwide business imperative to reach profitability. We use the EU Taxonomy criteria to define investments in climate solutions.

Investments in climate solutions FY23

Portfolio companies	Opex	Capex
eMAG (US$)	**28 682**	827 859
OLX (US$)	**–**	239 166
GoodHabitz (US$)	**–**	161 291

eMAG and OLX have invested in on-site solar panels, while GoodHabitz introduced electric vehicles for its employees.

Portfolio companies where we have a minority interest

Our portfolio of investments also comprises listed and non-listed assets where we have a minority/non-controlling stake in, associates and investees.

While our ability to influence the operations and business strategies of these companies is limited, we do take the opportunity, where possible, to engage with them on their climate action journey.

With the vast geographical and business model diversity of our associates and investees, along with the maturity of their operations ranging from stock-listed giants such as Tencent to young and highly innovative earlier-stage businesses in our venture's portfolio – understandably, their ESG maturity and performance also varies.

It is also important to highlight that our portfolio also remains dynamic with significant new acquisitions and/or unbundling of holdings that can materially impact the boundaries within the scope of our minority-controlled portfolio companies. Furthermore, as the companies in our portfolio mature in their GHG accounting we have observed a natural improvement in the scope and robustness of their emissions data.

The table below provides an overview of the scope 1 and 2 emissions of our portfolio of associates and investees, adjusted for our shareholdings, as per the PCAF-financed emissions methodology. To highlight, these are estimated emissions, calculated using sector averages of emissions intensity data per revenue.

Table 16: Total scope 1 and 2 emissions of our minority portfolio companies

Total scope 1 and 2 emissions of associates and investees

Investment areas	FY23 (tCO_2e)	Share of total
Social and internet platforms	**738 290**	92.3%
Food Delivery	**24 218**	3.0%
Ventures	**22 237**	2.8%
Edtech	**11 175**	1.4%
Classifieds	**3 528**	0.4%
Payments and Fintech	**194**	0.0%
Etail	**165**	0.0%
Other	**341**	0.0%
Total	**800 148**	100%

Tencent, representing 92.3% of the total emissions of our portfolio of minority interests, has set its science-based target, committing to reduce its scope 1 and 2 emissions by 70% by 2030 from a 2021 base year. For more information, see www.tencent.com.

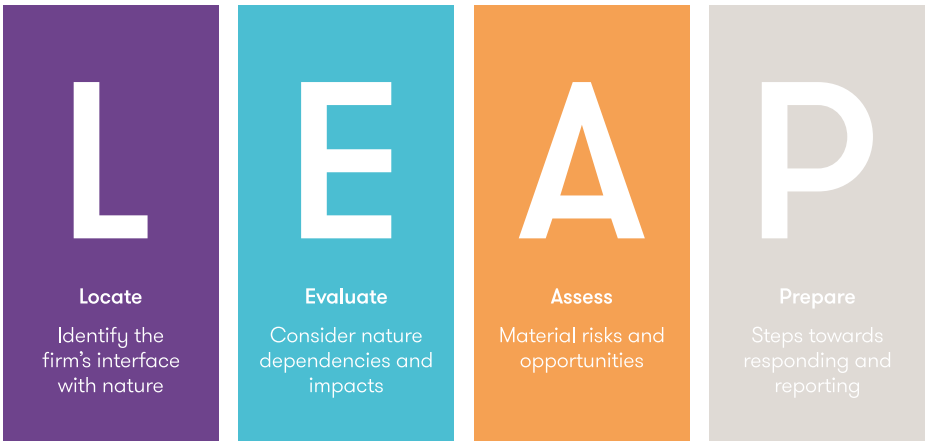
Delivery Hero accounts for more than 80% of emissions reported under the Food Delivery segment. The company has strong programmes to decouple food delivery from emissions and has committed to set its science-based targets. More information can be found on www.deliveryhero.com.

Ventures is our investment arm, tasked with identifying future growth segments, and has invested in a diverse set of companies beyond our core segments. The composition of this portfolio changes often due to acquisitions and divestments.

In the Edtech portfolio, Skillsoft accounts for about 25% of the emissions. The company is actively reducing its emissions footprint, as can be seen on www.skillsoft.com.

Biodiversity

We are building our understanding of the interdependency of our group with nature and biodiversity, the risks we run to negatively impact nature and the actions we can take to reduce these. As a first step, we are mapping and locating the direct biodiversity interfaces and dependencies (eg related to the direct operational business activities) of our portfolio companies, as prescribed by TNFD's promoted LEAP (locate – evaluate – assess – prepare) method. From there, we will evaluate and assess the risks and opportunities, to determine what actions are needed.



Resource use – Packaging

In our Food Delivery and Etail segments packaging is a material environmental risk as well as an opportunity. We collect data from our subsidiaries on their packaging and track performance on key indicators.

Packaging in Etail

In our Etail portfolio companies, where there is a material packaging footprint, eMAG, Takealot and Media24 Logistics report the volumes of processed packaging in their operations, which is waste generated from packaging they receive from their suppliers and business partners. This packaging is out of their direct control in terms of determining the type of packaging, as it is used by their suppliers and business partners for the shipment of goods to their warehouses. Packaging that is directly procured and used by the Etail companies, which they use for the logistics and shipment of goods to their clients, is reported in table 18.

Table 17: Processed packaging materials of Etail companies

Processed packaging of Etail companies

Material	Weight (kg)	Share of total	Recycled (%)	Incinerated (%)	Landfill (%)
Cardboard and paper	1 459 037	72%	100	0	0
Plastics	217 577	11%	100	0	0
Other	337 500	17%	67	33	0.1
Total	2 014 115	100%	94	6	0

M24 Logistics and Takealot are both engaging customers to refrain from repacking bulky boxed items sufficiently protected by their original packaging, and choosing to ship certain goods, like white goods, in their original packaging and reducing the need to repackage.

All Etail companies work with professional waste management companies that collect the waste and process it to be recycled, incinerated or landfilled.

Packaging that is procured by the Etail companies is used for the transportation and shipment of the goods bought on their ecommerce platforms. This packaging is often delivered to the homes of consumers or ends there after picking the parcel up from a pick-up station.

Table 18: Procured packaging materials of Etail companies

Investments in climate solutions FY23

Packaging material used by Etail companies	Weight (kg)	Share of total
Cardboard and paper	1 698 337	80
Plastics	336 916	16
Other	94 597	4
Total	2 129 850	100

In FY23 we published a report that introduces 10 golden rules for scaling sustainable packaging for digital delivery companies, showcasing a host of initiatives our Food Delivery and Etail companies are taking and can take to fight waste and increase resource efficiency. For instance, plastic products like tape and fillers are being replaced with recyclable paper alternatives.

Etailer eMAG is working hard on consolidation and efficient wrapping of its parcels, reducing significant volumes of material. Takealot has trailed reusable pallet wraps to prevent the use of unrecyclable plastic variants and has invested in collection points at its collection centres. For more examples, please see our scaling sustainable packaging report.

Packaging in Food Delivery

Our Food Delivery business iFood measures the volume of packaging used by their restaurant partners. The packaging is outside of the direct control of iFood and in order to be able to measure and estimate the volumes of packaging used, it has developed an extensive model and approach. Under iFood's sustainable packaging programme, and driven by its target to reduce plastic pollution from delivery with 50% by 2025, it is involved in multiple efforts to help restaurant partners shift to more sustainable packaging and reduce the waste generated from it.

Table 19: Packaging materials used for Food Delivery

Packaging in Food Delivery

		FY23		FY22	
		Weight (tonnes)	**Share of total**	Weight (tonnes)	Share of total
Total Food Delivery packaging		**67 514**	**100%**	67 253	100%
Total plastic		**17 982**	**26.6%**	18 267	27.2%
Plastic avoided		**379**	**0.6%**	337	0.5%
	EPS	3 901	5.8%	4 007	6.0%
	PET	3 296	4.9%	3 316	4.9%
	HDPE	1 581	2.3%	1 559	2.3%
	PVC	145	0.2%	129	0.2%
	LDPE	354	0.5%	453	0.7%
	PP	3 295	4.9%	3 222	4.8%
	PS	1 455	2.2%	1 474	2.2%
Other/unknown plastics		4 335	6.4%	4 444	6.6%
Total cardboard/paper		**40 849**	**60.5%**	40 166	59.7%
Total glass		**1 159**	**1.7%**	1 184	1.8%
Total aluminium		**1 017**	**1.5%**	1 065	1.6%
Total biodegradable		**6 223**	**9.2%**	6 422	9.5%
Total grocery delivery packaging		**35**	**0.1%**	7	0.0%
Average packaging weight per order		**92**		94	
Average plastic weight per order		**24**		25	

The volumes under 'Plastic avoided' is the result of iFoods' 'Amigos da Natureza' initiative, which motivates restaurants to join the programme to opt out of offering disposable items like cutlery and napkins to its customers. In FY23, iFood motivated 90% of its restaurant partners to join this programme. As a result, an average of 130 tonnes of single-use plastic is prevented from being discarded every month.

Packaging used in grocery delivery is mostly plastic bags. This data does not account for the packaging of the groceries itself that is in control of the grocery brand and out of scope for iFood.

Resource use – water and waste

Our investments portfolio is made up of digital platforms with asset-light operations and limited physical infrastructure. Water and waste are not material for the businesses that are web-based 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. Waste generation is only material for our Etail businesses, discussed under 'Packaging in Etail'

For our 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 is tracked.

Table 20: Water use of corporate operations

	FY23 (m^3)	FY22 (m^3)	FY21 (m^3)
Total water consumed	**474**	202	208

All our headquarter offices are serviced by professional waste management operators that collect and recycle the waste stream in alignment with local recycling infrastructure. Our Amsterdam office benefits from the very high collection and recycling rates in the Netherlands.

Table 21: Waste generated at corporate operations

	FY23 (kg)	FY22 (kg)	FY21 (kg)
Total waste	**7 040**	2 253	2 724

The increase of reported waste in FY23 is a result of increasing the scope of reporting – all corporate offices (five) are included in this year's data, compared to only the Amsterdam office in previous years.

Circular economy

Our Classifieds segment is enabling a circular economy by enabling its customers to trade and thereby extending the useful lives of consumer products like clothing, laptops, and televisions. Consumers buying a pre-owned product forego on the need to manufacture and ship a new product, saving materials, water and GHG emissions in the process. OLX calculates the environmental impact of these transactions, calculating the avoided emissions, energy, materials and water.

Table 22: Circular economy contribution by OLX

Circular economy

Included items in calculations	FY22	FY21	FY20	FY19
Electronics (phones, tablets, laptops and televisions)	Yes	Yes	Yes	Yes
Vehicles (cars and motors)	Yes	Yes	Yes	Yes
Car parts	Yes	No	No	No
Books and fashion	No	Yes	Yes	Yes
Impact calculations				
Total items sold (number)	26m	26m	40m	53m
Total GHG emissions avoided (tCO_2e)	5.2m	34m	59m	67m
Total water use avoided (m^3)	645m	357m	481m	719m
Total material use avoided (tonnes)	3.6m	4.2m	5.5m	8.1m
Total energy saved (GJ)	122m	477m	842m	955m

Please note that comparability of impact across the years is limited. Every year OLX improves the methodology to be as accurate as possible about their impact. Changes in the methodology may be due to differences in countries in scope (due to organisational changes) or due to new categories being added. For FY22, OLX added very stringent methodology improvements specifically for the cars and motorcycles category. As this was the biggest category in terms of prevented impact, this resulted in lower prevented impact than the prior years. Please see the OLX Impact Report for more information.

Glossary

Term/Acronym	Description
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 is designed out, materials and products are circulated within the economy and regenerates our natural environment.
Corporate	Corporate entities that have offices include the Netherlands, Unites 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.
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	Prosus, including its subsidiaries, associates and investees.
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 a 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 an associate).
PCAF	Partnership for Carbon Accounting Financials
Plastic Pact	National and regional, voluntary initiatives which brings 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.
Processed packaging	Packaging used by sellers and business partners of Etail companies for the shipment of products to the Etail company, often removed by the Etail company before shipping it onwards to customers of the Etail platforms.
Procured packaging	Packaging used by Etail companies for the shipment of products to its customers.
Science-based climate targets	Decarbonisation targets that are aligned with the Paris climate agreement to keep global warming to 1.5 degrees Celsius.
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), drives 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.

Term/Acronym	Description
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.
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.

Appendix: GHG inventory scope and boundaries

Reporting period covered	Financial years 2020, 2021, 2022 and 2023. Our financial year runs from 1 April to 31 March.
Organisational boundary	GHG accounting for scope 1 and 2 emissions includes assets and facilities that are owned or controlled by our organisation and have more than 10 employees. In some instances, we host employees from our portfolio companies at our owned or controlled office facilities. In this scenario, the employees will be included in the total emissions reporting for that specific facility. There is also the case that office facilities owned or controlled by our portfolio companies host some Naspers and Prosus corporate employees. In this scenario, their emissions will be reported within the boundaries of the portfolio company.
Operational boundary	Scope 1: Direct emissions from owned/controlled operations. Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling. Scope 3: The result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain. The methodology, approach, and source of emission factors for the scope 3 categories are specified under each category in the following pages. The following scope 3 categories are material for Prosus: Category 1 – Purchased goods and services Category 2 – Capital goods Category 3 – Fuel and energy-related activities Category 4 – Upstream transportation and distribution Category 5 – Waste generated in operations Category 6 – Business travel Category 7 – Employee commuting Category 15 – Investments Note: Category 8 – category 14 are not applicable for our corporate operations.

GHG accounting definitions and methodology

The formula below is used to convert activity data into emissions figures for all Prosus activities:

Activity data from fuel source x emission factor* = CO_2 equivalent (CO_2e) emissions

The following global warming potentials are used in calculation the CO_2 equivalent emissions.

Greenhouse gas	GWP**
Carbon dioxide (CO_2)	1
Methane (CH_4)	25
Nitrous oxide (N_2O)	298

* *Inclusive of global warming potential (GWP).*
** *Source: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Greenhouse Gas Protocol Global Warming Potential Values Fourth Assessment Report (AR4).*

Scope 1: Direct emissions resulting from the use of fossil fuels and refrigerants for operations at owned or controlled assets and office facilities. Specific activities contributing to direct emissions are described below;

- Mobile combustion: Fuels that are used in the operation of vehicles of other forms of mobile transportation that include gasoline, diesel, liquid petroleum gas (LPG), AdBlue and fuel oil.
- Stationary combustion: Fuels used for activities such as heating, and in the case of inhibited power supply, for generators to keep the operations going. These include natural gas, gasoline, diesel and LPG.

Department for Environment, Food and Rural Affairs (DERFA), Intergovernmental Panel on Climate Change (IPCC) and Environmental Protection Agency (EPA) emission factors are used for the calculation of scope 1 emissions.

Scope 2: Indirect emissions resulting from the generation of purchased electricity for owned or controlled assets and office facilities. Electricity purchased for both owned and leased buildings will be included within our scope 2 accounting.

International Energy Agency (IEA) emission factors are used for the calculation of scope 2 emissions

Scope 3: Indirect emissions resulting from activities at assets and facilities not owned or controlled by us as the reporting organisation. Scope 3 emissions are based on the reporting requirements of the GHG Protocol Corporate Accounting and Reporting Standard.

The methodology, approach, and source of emission factors for the scope 3 categories are specified under each category in the following pages.

Category 1: Purchased goods and services

All upstream (ie, cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).

Methodology	Calculation	Emission factor source
Spend-based method	Amount spent multiplied by a cost-based emissions factor	Department for Business Energy and Industrial Strategy, and CEDA Global

Category 2: Capital goods

All upstream (ie, cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company during the reporting year.

Methodology	Calculation	Emission factor source
Spend-based method	Amount spent multiplied by a cost-based emissions factor	Department for Business Energy and Industrial Strategy, and CEDA Global

Category 3: Fuel and energy-related activities

Indirect upstream emissions related to the production of fuels and energy purchased and consumed in the reporting year, which are not included in scope 1 or 2. Well-to-tank (WTT) emissions of purchased fuels, well-to-tank (WTT) emissions of purchased electricity, and transmission and distribution (T&D) losses for purchased electricity are included in this category. WTT emissions account for the emissions arising from the extraction, production, and transportation of fuels consumed or used to generate electricity.

Methodology	Calculation	Emission factor source
Average-data method	Emissions factor representing the loss of the respective input (petrol, diesel, and electricity) multiplied by the activity data	Department for Environment, Food and Rural Affairs (DEFRA)

Category 4: Upstream transportation and distribution

Transportation and distribution services purchased by the reporting company (either directly or through an intermediary), including inbound logistics, outbound logistics, and third-party transportation and distribution between a company's own facilities.

Methodology	Calculation	Emission factor source
Average-data method	Amount spent multiplied by a cost-based emissions factor	World Input Output database (WIOD), CEDA

Appendix: GHG inventory scope and boundaries continued

Category 5: Waste generated in operations

Emissions from third-party disposal and treatment of solid waste generated in the reporting company's owned or controlled operations in the reporting year. For solid waste, Prosus uses the waste-type-specific method to estimate emissions and in facilities were this information is not available, country-level waste data is used and extrapolated based on headcount.

Methodology	Calculation	Emission factor source
Average-data method	Extrapolated based on employee data (headcount)	Extrapolated based on employee data (headcount) World Input Output database (WIOD), CEDA

Category 6: Business travel

Emissions from the transportation of employees for business-related activities through air travel.

Methodology	Calculation	Emission factor source
Distance-based method	Distance travelled by respective class multiplied by an activity-based emissions factor	Department for Environment, Food and Rural Affairs (DEFRA)

Category 7: Employee commuting

Emissions from the transportation of employees between their homes and their worksites. Emissions calculation for this category is based on average employee commuting emissions, such as means of transport and division of car fuels/types. Estimates are based on country-level data extrapolated by headcount of each office facility under scope of reporting.

Methodology	Calculation	Emission factor source
Average-data method	Extrapolated based on employee data (headcount)	Centraal Bureau voor de Statistiek (CBS), Department for Environment, Food and Rural Affairs (DEFRA), CEDA

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