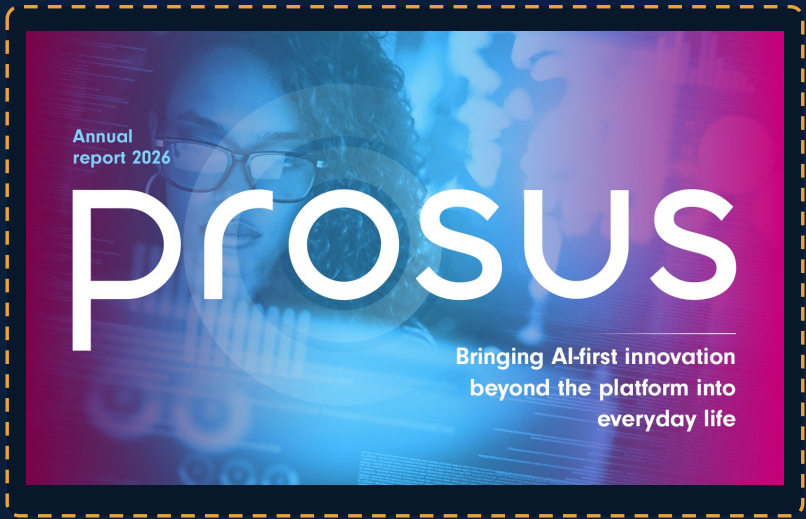
IRC ANNUAL CONFERENCE 2026

Shared learnings

Prosus's annual reporting journey in the age of AI

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CSRD and ESRS in two minutes

THE LAW

CSRD

Corporate Sustainability Reporting Directive

- EU law, in force since 2023
- Sustainability reporting sits in the management report, beside the financials
- Digitally tagged and independently assured

THE RULEBOOK

ESRS

European Sustainability Reporting Standards

- Cross-cutting plus topical standards for environment, social and governance
- Built on double materiality: impact on people and planet, and on the company
- Detailed datapoints behind each topic

THE 2026 RESET

Omnibus I

The EU simplification package

- In scope only above 1,000 employees and EUR 450m turnover (about 80% fewer companies)
- Revised, slimmer ESRS adopted, with far fewer datapoints
- Relief for earlier reporters now out of scope

Net effect: a narrower scope and lighter standards, but double materiality stays the core idea.

What listed companies struggle with

Ever-longer reports

Each new rule adds pages. Reader attention has not grown to match.

Too many frameworks

ESRS, ISSB, GRI, JSE requirements and local codes overlap without fully lining up.

Data that isn't audit-grade

Sustainability data comes from spreadsheets, subsidiaries and the value chain.

Assurance cost and scope

Limited assurance adds audit hours, timelines and questions about who signs off what.

Materiality workload

Double materiality assessments are heavy and hard to keep consistent year on year.

Moving goalposts

Standards and timelines keep shifting, so teams rebuild what they built last year.

Is the report consumed cover to cover?

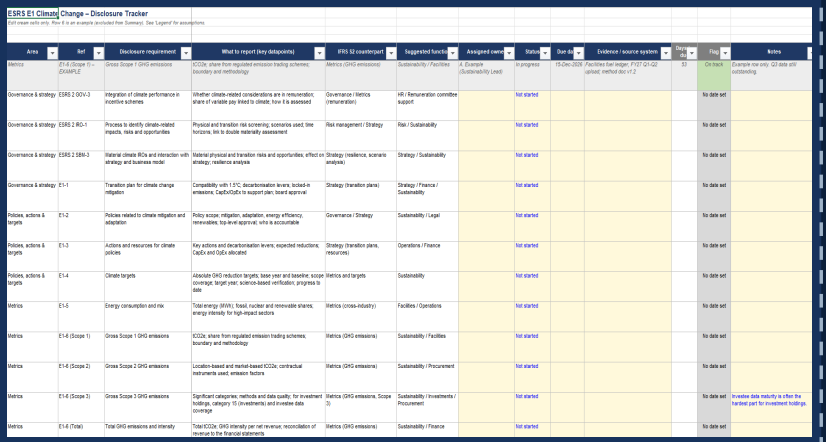


The future of annual reporting

How do we balance the time, effort, audit hours and internal reviews against how much the report is actually consumed?

1. Box-ticking. ESRS, the IFRS standards and CSRD have turned reporting toward a checklist.
2. Hidden work. Double materiality, stakeholder engagement, data quality and limited assurance sit behind every tick.
3. Use versus build. How many people use the report as intended, compared with an AI tool built to query it?

Internal reporting checklist



ESRS E1 Climate Change – Disclosure Tracker

Edit inputs cells only. Row 4 is an example (excluded from Summary). See 'Legend' for assumptions.

Area	Ref	Disclosure requirement	What to report (key datapoints)	IFRS S2 counterpart	Suggested functio	Assigned owner	Status	Due da	Evidence / source system	Chang	Flag	Notes
Metrics	E1-6 (Scope 1+... EXAMPLE	Gross Scope 1 GHG emissions	tCO2e, share from regulated emission trading schemes; boundary and methodology	Metrics (GHG emissions)	Sustainability / Facilities	A. Example (Sustainability Lead)	In progress	15-Dec-2026	Facilities fuel ledger; FY27 Q1-Q2 upload; method doc v1.2	63	On track	Example row only. Q2 data still outstanding.
Governance & strategy	ESRS 2 GOV-3	Integration of climate performance in incentive schemes	Whether climate-related considerations are in remuneration; share of variable pay linked to climate; how it is assessed	Governance / Metrics (remuneration)	HR / Remuneration committee support		Not started				No date set	
Governance & strategy	ESRS 2 IRO-1	Process to identify climate-related impacts, risks and opportunities	Physical and transition risk screening; scenarios used; time horizons; link to double materiality assessment	Risk management / Strategy	Risk / Sustainability		Not started				No date set	
Governance & strategy	ESRS 2 SBM-3	Material climate IROs and interaction with strategy and business model	Material physical and transition risks and opportunities; effect on strategy; resilience analysis	Strategy (resilience, scenario analysis)	Strategy / Sustainability		Not started				No date set	
Governance & strategy	E1-1	Transition plan for climate change mitigation	Compatibility with 1.5°C; decarbonisation levers; locked-in emissions; CapEx/OpEx to support plan; board approval	Strategy (transition plans)	Strategy / Finance / Sustainability		Not started				No date set	
Policies, actions & targets	E1-2	Policies related to climate mitigation and adaptation	Policy scope, mitigation, adaptation, energy efficiency, renewables; top-level approval; who is accountable	Governance / Strategy	Sustainability / Legal		Not started				No date set	
Policies, actions & targets	E1-3	Actions and resources for climate policies	Key actions and decarbonisation levers; expected reductions; CapEx and OpEx allocated	Strategy (transition plans, resources)	Operations / Finance		Not started				No date set	
Policies, actions & targets	E1-4	Climate targets	Absolute GHG reduction targets; base year and baseline; scope coverage; target year; science-based verification; progress to date	Metrics and targets	Sustainability		Not started				No date set	
Metrics	E1-5	Energy consumption and mix	Total energy (MWh); fossil, nuclear and renewable shares; energy intensity for high-impact sectors	Metrics (cross-industry)	Facilities / Operations		Not started				No date set	
Metrics	E1-6 (Scope 1)	Gross Scope 1 GHG emissions	tCO2e, share from regulated emission trading schemes; boundary and methodology	Metrics (GHG emissions)	Sustainability / Facilities		Not started				No date set	
Metrics	E1-6 (Scope 2)	Gross Scope 2 GHG emissions	Location-based and market-based tCO2e; contractual instruments used; emission factors	Metrics (GHG emissions)	Sustainability / Procurement		Not started				No date set	
Metrics	E1-6 (Scope 3)	Gross Scope 3 GHG emissions	Significant categories; methods and data quality; for investment holdings, category 15 (investments) and investee data coverage	Metrics (GHG emissions, Scope 3)	Sustainability / Investments / Procurement		Not started				No date set	Investee data maturity is often the hardest part for investment holdings
Metrics	E1-6 (Total)	Total GHG emissions and intensity	Total tCO2e; GHG intensity per net revenue; reconciliation of revenue to the financial statements	Metrics (GHG emissions)	Sustainability / Finance		Not started				No date set	

What integrated reporting is really for

Integrated reporting

Integrated thinking, made visible

Asks: How do we create, preserve or erode value over time?

Structure: One story across strategy, risks, performance and outlook

Lens: The capitals, and how they connect

Reader: Someone trying to understand the business

VS

Standards-led reporting

ESRS as it is read in practice

Asks: Have we disclosed each required datapoint?

Structure: Topic by topic, standard by standard

Lens: Materiality assessed per topic

Reader: A regulator, an assurer, a data aggregator

Connectivity is the point: one story of how strategy, governance, performance and prospects create value over time.

A strategic choice

Change our approach

- Shape the report for how it is actually read, including by AI
- Fewer pages, one connected story

Risk: misalignment with legislation and audit expectations

or

Toe the line

- Report traditionally, in full, to the letter
- Predictable for regulators, auditors and assurers

Risk: rising cost for a document few people use

Regulators have to take notice of AI.

If IFRS S1 and S2 arrive

IFRS S1 sets general requirements for sustainability-related financial disclosures. IFRS S2 covers climate. Both are built for investors and designed to sit alongside the financial statements.

What it could mean for us

- A financial-materiality lens alongside the double materiality we already assess
- The same timeline and boundary as the financial statements
- Reuse of ESRS and GRI work, if the standards inter-operate in practice
- Lessons from early ISSB adopters on cost, assurance and controls



ISSB

Enterprise value: what matters to investors



GRI

Impact: effects on the economy, environment and people



ESRS

Both: double materiality

Our approach: Naspers and Prosus

Structure

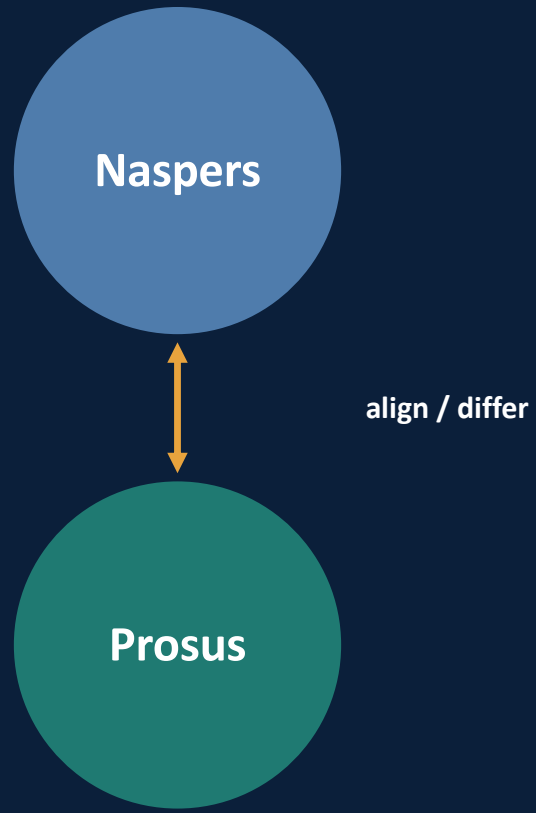
Front section (strategy etc) owned by company secretariat, sustainability by the sustainability team, financials by the finance team.

Scope and boundary

Materiality based on revenue. New acquisitions report in the 2nd year following the acquisition to allow for integration.

Frameworks

ESRS and integrated reporting side by side.



Two years of ESRS and ISSB

Application

- Two years of application so far
- ESRS and integrated reporting side by side
- As an EU-based company, it is more directly driven by the EU's regime than by the ISSB, though the two frameworks are designed to work together.

Mandatory

- Required by regulation, not voluntary
- ESRS compliance covers most of IFRS S1/S2, but S1/S2 needs tighter connectivity to the financial statements.
- ISSB is an add-on to CSRD work rather than a separate project. For Prosus, closer tracking of scope 3 emissions to financial statements.

Biggest lesson from year one



Materiality

The double materiality assessment sets the key issues. Get it right first.



Data

The quality of our data decides the quality of our disclosure.



Auditors

Agree the plan with our auditors early.



People

Training and steering groups at the start bring people along.

Materiality and duplication

Materiality

- Double materiality questionnaires
- Detailed stakeholder engagement
- Alignment with group strategy

Duplication

- Early drafts repeated a lot of content
- Checklist reporting moves away from good storytelling
- Aim: one connected story, not a checklist

What we underestimated

Underestimated

- Planning time and effort
- Engaging auditors and the businesses
- Assessing data readiness

Start again

- Plan early
- Engage auditors and businesses from day one
- Assess our data up front
- Bring in an independent advisor

Reporting is a data challenge

Hardest

- Cross-border compatibility between entities
- Legacy systems
- Quantifying financial effects. Defensible, audited numbers linking climate to the financial planning process.

Fit and gaps

- Fit: ESRS covers most; inter-operability guidance exists (with ISSB)
- Gaps: Scope 3 (investments), industry metrics, financial impact of climate
- Readiness: Report integration, assurable scenarios, S2 changes from 1 January 2027

Board oversight

What changed

- Now a recurring committee and board agenda item
- Ongoing board and committee training is crucial

Decisions

- Strategic decisions influenced
- Capital allocation
- Ongoing risk assessments

Challenges and wins

Challenges

- Data quality across entities and the value chain
- Assurance scope and tight review timelines
- Internal review cycles that stretch the calendar
- Regulatory targets that keep moving

Wins

- TCFD-based reporting already in place. IFRS S1/S2 incorporate the TCFD recommendations
- SBTi-verified targets. Supports S2’s requirement to disclose targets and progress.
- Existing regulatory experience.
- Non-financial information transparency with stakeholders.

Plans for 2027



Process

Shortened review cycles and sharpened data ownership.



Content

What we cut ie reduced pages on strategy, what we connect, and how the report reads.



Assurance

Assurance scope for 2026 and readiness for what follows limited assurance.



Technology

The next stage of our AI tool and how we govern it.

Thank you

If you could ask the report questions, would you read it then?

Lynelle Bagwandeen | [LinkedIn link]