



# MTN Group Limited

Sustainability report for the year ended  
31 December 2018


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*MTN's digital connections transform how people live, work and play*

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# About this report

**This sustainability report covers the activities of the MTN Group for the period 1 January 2018 to 31 December 2018, and complements the integrated report for the same period.  The report aims to provide a balanced, accurate and accessible overview of our strategy and performance relating to socio-economic, labour and environmental issues, and ethics and human rights. This year, the report aims to provide a more strategic view of our sustainability efforts and more comprehensive information at a group level.**

## Scope and boundaries

**Included in this report:** This report covers operations in Afghanistan, Benin, Cameroon, Congo-Brazzaville, Cyprus (ending August 2018 following conclusion of the sale of MTN Cyprus), eSwatini, Guinea-Bissau, Guinea-Conakry, Ghana, Iran, Ivory Coast, Liberia, Nigeria, Rwanda, South Africa, Sudan, South Sudan, Syria, Uganda, Yemen and Zambia, as well as MTN Enterprise operations in Kenya and Namibia.

**Excluded from this report:** Mascom Botswana is excluded from sustainability and Carbon Disclosure Project (CDP) reporting on the basis of no control postings. For CDP reporting, MTN Yemen and MTN Syria have been excluded due to energy and greenhouse gas data collection challenges associated with network management in the context of the broader macro-political situation. Some MTN Group head office services are undertaken in Dubai (United Arab Emirates) in leased office premises, and are deemed immaterial for CDP reporting.

## Sustainability reporting standards and guidelines

Disclosures in this report are primarily guided by the United Nations Global Reporting Initiative (GRI) Standards, the United Nations Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights, the King Code of Governance Principles (King IV™\*) and the Carbon Disclosure Project (CDP).

This report has been prepared in accordance with the GRI Standards: Core option. We have also included the UNGC reporting requirements within this sustainability report in an integrated manner. We have further indicated how our activities support UN SDG goals and targets.


## Data collection

Reports are compiled using information sourced from a variety of internal reporting, data management and storage systems. Oracle information systems, network management systems, social and ethics, risk and other management and committee reports, and the results of annual surveys are some of our key sources of data. Secondary data is obtained from external sources including industry specific and sustainable business research reports, benchmark surveys and assessments of MTN's sustainability performance undertaken by external organisations.

## Exchange rate

All financial expenditures are reported in South African rand (ZAR), using the average exchange rate across January to December 2018 of ZAR13,21 to US\$1 (2017: ZAR13,35 to US\$1).

## Combined assurance

The group's independent assurance report to the directors of MTN Group Limited is available on our website .

## Directors' responsibility

The MTN Group board has overall accountability for sustainability. Responsibility for oversight of MTN's sustainability activities is delegated to the social and ethics committee. The social and ethics committee has read this report and considered the integrity and completeness of the material aspects and information contained within it. Accordingly, the committee is satisfied that the MTN Group sustainability, UN Global Reporting Initiative (GRI) Standards and UN Global Compact Communication of Disclosure reports for 2018 are a fair representation of the material matters and provide a balanced view of MTN's responsible business strategy and performance.

 Integrated report	 Annual financial statements	 Social and ethics report	 Limited assurance obtained	
 Governance report	 Tax report	 For more information/web links		

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## Who we are

MTN is an emerging market mobile operator with a clear vision to **lead the delivery of a bold, new digital world** to our 233 million customers across 21 operations. We are inspired by our belief that **everyone deserves the benefits of a modern connected life.**

Ours is one of the **most admired brands** in Africa and is also among the **most valuable African brands**. MTN is one of the largest companies listed on the JSE in Johannesburg, and had a market capitalisation of R168 billion at the end of 2018.

We were established in South Africa at the **dawn of democracy** in 1994 as a leader in transformation. Since then, we have grown by investing in **sophisticated communications infrastructure** and by harnessing the **talent of our diverse team** of people across Africa and the Middle East.

## Our market segments



**Consumer**

MTN is transforming from a telecoms provider into a **digital services provider** which means we deliver not only connectivity (voice, data and SMS) but also the digital services customers use over that connectivity. We offer a **full suite of mobile fintech products** including mobile wallets, payments, micro-loans and micro-insurance that are universally accessible through our app or USSD. We also offer **mobile commerce** through our MTN marketplace and through our investments in other e-commerce platforms. We offer our own digital **lifestyle media services** including music, video and gaming (and soon **messaging** too), as well as digital **marketing** services.



**Enterprise**

MTN is already the premiere voice and data (fixed and mobile) connectivity provider to small and large enterprises. We use this base to offer enterprises a richer set of services including **cloud and unified communications**. Security underpins all of this. We are also a leader in the **Internet of Things (IoT)**. We provide reliable, secure IoT connectivity and have invested in state-of-the-art IoT platforms to enhance our offering. Our **fintech offering** also extends into the enterprise space, particularly for small and medium enterprises (SMEs) and small offices and home offices (SOHOs).



**Wholesale**

MTN owns and runs the **largest fixed and mobile infrastructure network in our region**. To provide a high quality service to customers and to take advantage of our scale, we have established a company called MTN GlobalConnect to run and procure the infrastructure which is shared between our markets and to route the traffic between our markets. The creation of this company has enabled us to open up our infrastructure to third parties, including **other telecommunications (telcos) and technology companies to resell excess capacity.**



Our  
sustainability  
approach



# Our sustainability approach

Our sustainability vision is to protect and create shared value for MTN and our stakeholders through responsible environmental and social practices. To realise our vision, our sustainability approach is categorised into three pillars that identify the areas we most focus on, to ensure we operate responsibly and sustainably.

## Our vision, framework and focus areas



- Digital solutions to close the digital divide
- Internet of Things (IoT), smart and other enterprise solutions that address specific social and environmental requirements in MTN's markets



- Energy use, greenhouse gas emissions and climate change
- Network environmental impacts including electromagnetic fields
- Natural and manufactured resource use (water, paper, plastic, etc) and waste management



- Ethics
- Digital human rights
- Safe, healthy and inclusive workplaces
- Responsible procurement
- Corporate social investment

# Our sustainability approach continued

## Our strategy

We view our role in society as protecting and creating shared value for MTN and our stakeholders. This includes our ethical and legal responsibilities, as well as creating opportunities to transform lives. In this report, you will find information that describes the ways in which we use our assets and capabilities to respond to needs in the communities in which we operate. You will also find information about how we manage ethics within our operational processes, address human rights and workplace issues, and manage environmental and social challenges.

MTN is a market leader in 14 of the 21 markets in Africa and the Middle East, where we operate. As a result, we can use our resources to make a sustainable difference to the lives of some of the world's most marginalised countries through our core business activities. Guided by macro-trends, materiality assessments and increasing bilateral and ongoing stakeholder dialogue, as well as through global sustainability codes and protocols, we have prioritised the material areas where we can best make a positive impact or mitigate our negative impacts. By overlaying our sustainability focus areas against our BRIGHT strategy, we remain focused on meeting our vision of making strides in the digital world responsibly and meaningfully.

We are 18 months into our BRIGHT strategy, and have looked at how we can execute this strategy through a responsible business lens. This strategy is aimed at sustaining value for MTN and our stakeholders through ensuring the best customer experiences, being more efficient and delivering financial returns, igniting our commercial performance, growing our business through offering data and digital services that meet the needs of our customers, addressing the issues important in the hearts and minds of our stakeholders, and ensuring technology excellence.

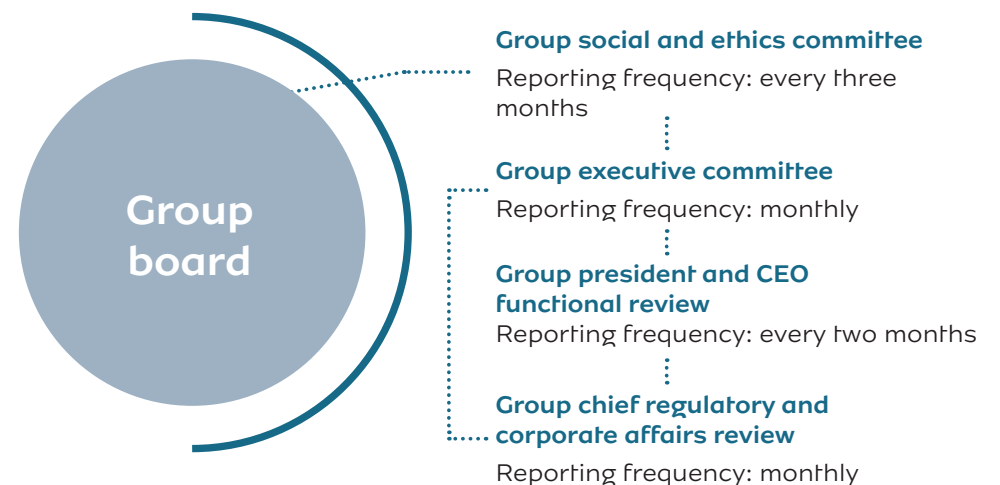
A description of our BRIGHT strategy and how we remain commercially viable and socially relevant to our stakeholders is set out in detail in the section on how our strategy is sustaining value in our 2018 integrated report. MTN's BRIGHT strategy is essentially our approach to ensuring that we operate sustainably. [IR](#)

## Stakeholders

To create a net positive impact and to be a responsible business partner, it is critical for us to understand our stakeholders' concerns and to address them appropriately. With the aim of being more responsive to our stakeholders' concerns, a framework for stakeholder engagement was developed at a group level and cascaded to operating countries for customisation and implementation. Further information regarding MTN's stakeholders and their concerns can be found in the group's integrated report on page 28. [IR](#)

## Governance


MTN Group's sustainability governance structure and reporting frequency is depicted below. For a complete list of the group board committees please see page 52 of the group's integrated report. [IR](#)



## Our sustainability approach continued

### Materiality process

**Materiality is determined by reviewing the issues most important to our stakeholders, and assessing the impact of these issues on the achievement of our business objectives. Material matters are then prioritised according to the scale and nature of impact on business operations, economic performance and interests of our stakeholder groups.**

This report contains information that we deem to be of material significance to our long-term social, socio-economic and environmental sustainability. The materiality determination process and diagram below complements and provides more detail to some of the material issues set out in the section on our market context and how this impacts our material issues in the MTN Group integrated report ending 31 December 2018. 

The sustainability standards set out in the previous section, along with guidance from publications of organisations such as the United Nations, GSMA, International Telecommunications Union (ITU) and World Economic Forum (WEF) are used to structure our integrated reporting framework. The following sources are considered in our materiality determination process:

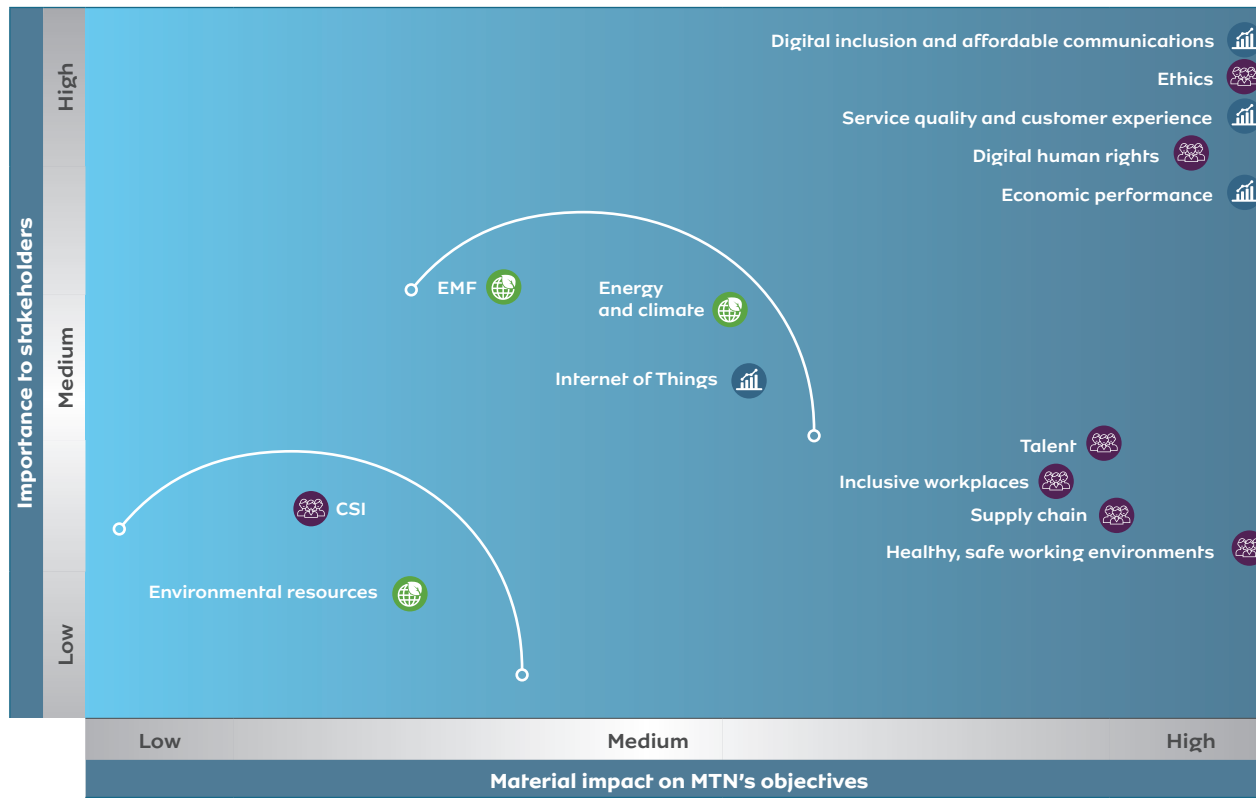
- Global macro- and hyper-trends, and industry and country developments.
- Engagement with stakeholders as indicated in the section on the relationships on which we rely to create value on page 28 of the integrated report. 
- Feedback from stakeholders who review the annual sustainability report.
- Engagement with all stakeholders through the e-mail addresses sustainability@mtn.com; investor.relations@mtn.com; MTNGroup.PressOffice@mtn.com; csi@mtn.com; e-mails to executives and other addresses, calls and other forms of communication.
- Information gained through engagements with regulatory authorities, media organisations, civil rights groups, community-based organisations, our customers, and general members of the public.
- Feedback from engagements with the JSE FTSE4Good Africa Index series, the CDP, MTN's investors, ratings agencies and analysts, civil rights groups and research organisations that assess our responsible business performance.
- Information from third-party questionnaires and assessments by universities, civil rights groups and other independent third parties.
- Results determined from analysis, internal review and research processes including industry, peer and global developments, and reputational, regulatory issues, risk and audit management processes.
- Assessment of issues covered by MTN board committees.

Issues identified through this process are assessed during internal materiality reviews. These issues are reviewed by the group executive and the group social and ethics committees. We undertake this review periodically to ensure that we are responsive and can adapt to changing operating conditions.



# Our sustainability approach continued

Having considered this process, our material sustainability matters for 2018 are set out below:



## Material issues

## Where issue is covered

Material issues	Where issue is covered
<b>Sustainable economic value</b>	
Digital inclusion and affordable communication	SR, IR, UN GRI
Service quality and customer experience	IR, SR
Economic performance	IR
Internet of Things (IoT)	SR
<b>Eco-responsibility</b>	
Energy and climate	IR, SR, UN GRI, UNGC, CDP
Electromagnetic fields (EMF)	SR
Environmental resources	IR, SR, UN GRI, UNGC
<b>Sustainable societies</b>	
Ethics	IR, SR, UN GRI, UNGC
Digital human rights	IR, SR, UN GRI, UNGC
Talent	IR, SR, UN GRI
Inclusive workplaces	IR, SR, UN GRI, UNGC
Supply chain	UN GRI
Healthy, safe working environment	SR, GRI, UNGC
Corporate social investments (CSI)	IR, SR, UN GRI

More information on MTN's strategy and performance is located in the group's integrated report (IR), this sustainability report (SR), UN Global Reporting Initiative Standards (GRI), UN Global Compact Communication of Progress (UNGC) or Carbon Disclosure Project (CDP) reports available on our website. [🔗](#)

# Supporting the UN Sustainable Development Goals (SDGs) and UN Global Compact (UNGC) Principles

The diagram below describes how our activities, as described in this report, complement broader global development goals.



## Group president and CEO on sustainability

- Although the world faces a number of challenges that affect how organisations operate responsibly, these matters also provide great opportunities to shift the world towards a more sustainable future.
- The kinds of products and services we offer help break down social and economic barriers.
- We are changing our approach to sustainability, starting with how we live our values and extending our BRIGHT strategy to meet the needs of our stakeholders more effectively. Our shared values and mission of making lives BRIGHTer is a major source of continuity and renewal, uniting our efforts to lead sustainable change.
- We are also guided by the UN SDGs and UN Global Compact in transitioning to an organisation that generates greater shared value.

# Q & A

## with the Group president and CEO on sustainability

MTN is an emerging market mobile operator with a clear vision to **lead the delivery of a bold, new digital world** to our 233 million customers across 21 operations. We are inspired by our belief that **everyone deserves the benefits of a modern connected life.**

**Q** In your view, what were the major global developments that affected how responsible businesses operated in 2018?

**A:** As innovations such as artificial intelligence, the use of big data and automation continue to be showcased in real-world applications daily, we are excited by the ability for humanity to realise breakthrough solutions to improving our lives and resolving real-world challenges. Some of these challenges include fighting poverty and inequality, creating opportunities for income-generation and self-employment, and improving access to quality education and healthy food, among others.

However, people remain concerned about their job security, how to maintain their rights, who governs and controls the consequences of some innovations, and what the state of the environment means for access to resources and for our collective futures. In 2018, there were even more ongoing movements around the world, with people demanding equity, transparency and responsible actions from governments and companies. Even young children are now actively making their voices heard.

These concerns mean that ethics and values-based leadership are even more critical for organisations to operate sustainability. We need to lead in a more transparent, responsible and sustainable manner, and we must do so with greater urgency and impact.



**Rob Shuter**  
Group president  
and CEO

## Q & A with the Group president and CEO on sustainability continued

### Q How did MTN respond to these changes?

**A:** MTN serves close to 233 million people in emerging areas: we can therefore make a meaningful difference by shifting our markets towards a more sustainable future. For MTN, sustainability means three things: how our business can help our stakeholders meet their aspirations, how we conduct our operations in respectful and rights-driven ways that have the least harmful effects, and how we can reinvest some of the economic value that we earn back into the communities that support us.

We are on a journey to better understand what this means for our organisation and we are gradually changing the way we approach sustainability. Our journey focuses on three aspects: values-based leadership, using our resources to support the global development agenda, and focusing strongly on enhancing inclusion to ensure our customers can more easily and affordably reap the benefits of being online.

Our values of innovation, leadership, integrity, relationships and a can-do attitude in meeting the needs of our stakeholders guide our business conduct. We have also started to map our key activities against some of the targets set out in the UN SDGs and continue to align our efforts to the principles of the UN Global Compact.

We are focused on solutions to enhance digital inclusion and transform societies. We firmly believe that technology and connectivity can accelerate transformative solutions to some of the world's complex challenges. We unpacked what it really means to connect people digitally, developing a model to ensure basic coverage, handsets, affordability, services and education to bring new opportunities to people that were previously excluded from the digital world. We actively set up partnerships with stakeholders who share our belief, which is that everyone deserves the benefits of a modern connected life.

### Q Is MTN making enough progress in addressing socio-economic, ethical and environmental matters that affect its stakeholders?

**A:** Everyone can always do more, more efficiently and with more impact. However, we are pleased to have made good progress in some areas in 2018.

We increased affordable communications. Great strides have been made to connect people in rural areas in Afghanistan, Nigeria, South Africa, Zambia and in several more countries in which we operate. We fostered partnerships with multinational organisations and local authorities and communities, working together to achieve shared-value outcomes. By truly focusing on solutions that close the digital divide, 401 more communities in rural areas have enjoyed digital access for the first time. Effective data rates per megabyte across the group declined by 39%, increasing the affordability of communications.

We are closing the fintech divide. This is one of our key strategic aims. We must reduce the number of people that are still unable to access banking and other financial services in sub-Saharan Africa and our other markets. To achieve this, we are leveraging the natural relationship between financial services and mobile telecommunications. This allows us to explore an eco-system of services through partnerships with regulatory authorities, financial service organisations, merchants and other stakeholders. As a result of our efforts, over 27 million people now actively enjoy the benefits of easy, cost-effective mobile financial services in 14 countries where we operate.

We are using our resources to mitigate environmental challenges. We believe that we can contribute to a healthier state of the environment through, for example, solutions which predict the maintenance requirements of systems that deliver

## Q & A with the Group president and CEO on sustainability continued

energy, water and other critical utilities, or that enable animals to thrive freely both in the wild and for agricultural purposes. We were proud to have played a role in the launch of the first smart city in our operating footprint in 2017 in Anazli in Iran, and we are now looking at extending this by offering digitally connected transport solutions that reduce congestion and greenhouse gas emissions. Through these solutions, we contribute towards economic growth while responding to the need to mitigate negative climate effects.

We are focusing on career development for employees and for future leaders drawn from the communities in which we operate. Ensuring that our people are engaged, motivated and empowered is fundamental in helping us realise our goals. We champion a more diverse and inclusive workplace for talented people. In Ghana, we launched a three-year programme to increase the number of women in technology, building readiness for female leaders in areas of the business where women are underrepresented. In Nigeria our Women at **Yello** programme was enhanced to further promote gender equality, facilitating networking and ensuring well-rounded female leaders.

Across the board, we are building a healthy pool of successors and future leaders with critical skills to meet the needs of our customers and other stakeholders. To give young

people the opportunity to learn more about the digital world and to develop their future careers, we held our first **Yello** Global Career Day in 2018. Close to 7 500 young people learnt more about the world of work and what a digital future means for them. Attracting young and talented people is crucial for MTN as a digital organisation: at the group head office, we recruited 100 Yes4Youth graduates, and we will be recruiting another 1 000 young people in our South Africa operations. This complements our global graduate development programme, which sources and accelerates the development of top graduates across Africa and the Middle East.

### **How will MTN be creating enduring value for its stakeholders through sustainable business practices in 2019?**

**A:** We are confident that our products and services are breaking down social and economic barriers. To achieve this, we are extending our BRIGHT strategy to better use our abilities and resources to make a meaningful impact and ensure that more people can realise the benefits of a modern connected life.



**Transforming  
economies  
and societies**



# Transforming economies and societies

We want to ensure that everyone enjoys the benefits of a modern connected life. Our core capabilities, products, social investments and cooperative partnerships are focused on enabling connectivity, inclusivity and socio-economic transformation enabled by digital technologies in our markets.

This section demonstrates how we commercially deploy digital solutions to reduce barriers faced by those communities that are traditionally unable to participate actively in the benefits of a modern, connected world. It includes an overview on our progress on matters such as connectivity, affordability and access to digital and financial services. It also includes information on how our corporate social investment strategy is helping address some of the major issues and needs in our markets, through philanthropic investments that supplement our commercial activities and enable us to further support developmental outcomes.

## Contributing to the UN SDGs

	UN SDG indicators	MTN's contribution
	<b>1.4</b> All men and women, particularly the poor and the vulnerable, have equal rights to economic resources, access to basic services, appropriate new technology and financial services including microfinance, etc	<ul style="list-style-type: none"> <li>• <a href="#">Digital access and inclusion</a></li> <li>• <a href="#">Mobile financial services</a></li> </ul>
	<b>3.2</b> End preventable deaths of newborns and children under five <b>3.8</b> Universal health coverage including access to quality essential healthcare services	<ul style="list-style-type: none"> <li>• <a href="#">Corporate social investment</a></li> </ul>
	<b>4.4</b> Substantially increase number of youth and adults with relevant skills including technical and vocational for employment, decent jobs and entrepreneurship <b>4a</b> Build/upgrade education facilities for inclusive, effective learning environments <b>4b</b> Scholarships in developing countries	<ul style="list-style-type: none"> <li>• <a href="#">Corporate social investment</a></li> </ul>
	<b>7.1</b> Access to affordable, reliable modern energy services	<ul style="list-style-type: none"> <li>• <a href="#">Mobile financial services</a></li> </ul>
	<b>8</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>• <a href="#">Mobile financial services</a></li> </ul>
	<b>9c</b> Affordable, universal access to information and communication technology (ICT)	<ul style="list-style-type: none"> <li>• <a href="#">Digital access and inclusion</a></li> <li>• <a href="#">Mobile financial services</a></li> </ul>
	<b>17.8</b> Enhance use of information and communication technologies	<ul style="list-style-type: none"> <li>• <a href="#">Digital access and inclusion</a></li> <li>• <a href="#">Mobile financial services</a></li> </ul>



# Transforming economies and societies continued

## What we said we would do in 2018

Activity	Progress	Results
Drive deeper access to and affordability of mobile internet		<a href="#">See digital access and inclusion</a>
Ensure 60 million people actively use MTN Mobile Money by 2023		In 2018, we had 27 million active MTN Mobile Money subscribers, up from 21,8 million in 2017. <a href="#">See mobile financial services</a>
Roll out prepaid solar power solutions to enable access to affordable, reliable, renewable energy and to enhance financial inclusion		Prepaid solar solutions benefited an estimated 2,3 million people (up from 1,3 million in 2017). Test results indicate an increase of 104% in MTN Mobile Money flows through bill payment in the three months after the acquisition of the solar system
Evolve MTN's CSI approach to make better use of MTN's functional capabilities		We increased our focus on youth empowerment, and will continue to evaluate this approach in 2019

### Legend

Completed 
 In progress: on schedule 
 In progress: behind schedule 
 Not achieved



Nasonko and her family, including her six children, live in Kanyanya, Uganda. She has been an MTN Uganda customer for 10 years. When her husband told her that he had lost his job, and they no longer had money for school fees, she felt tremendous pressure for two weeks. She then decided to manage the situation by opening a small business. She now makes 50 000 shillings per day (about US\$382 per month). Nasonko uses MTN airtime to place orders with her suppliers, and MTN Mobile Money to pay them. She says that MTN Mobile Money saves her time and is easier than other payment methods. Her business has been so successful that she now dreams of transforming her small retail shop into a wholesale business.

# Digital access and inclusion

## Our strategy

According to GSMA, at the end of 2017 only 30% of people in sub-Saharan Africa had access to mobile broadband connectivity. This is reflected in MTN's markets: around 79 million of MTN's 233 million subscribers have access to the internet. We are therefore driven to improve access to affordable communications to ensure that people in our markets can reap the social, economic and developmental dividends of being online.

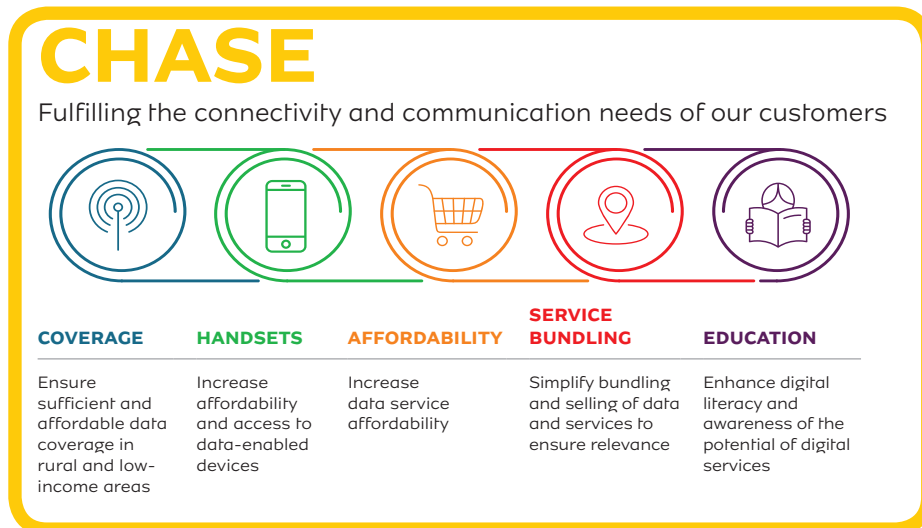
Improving digital inclusion requires us to ensure that people have access to reliable networks and affordable internet-enabled devices. It is also important that they understand how to use digital communications effectively to enhance their lives.

MTN's approach to enabling access and affordability is positioned within the growth through digital and data, and the technology excellence pillars of our BRIGHT strategy. More details on this strategy is available in the group's integrated report. [IR](#)

To connect more people and achieve our objective of growth through data and digital services, we adopt a dual data strategy. This strategy is aimed at reducing the digital divide between urban-based customers and those in rural areas more effectively. High-value customers, an established market predominantly in major cities, generally have more disposable income to invest in smartphones and can access networks more easily than other customer segments. Reliability, network performance, 24/7 connectivity and speed are some of the critical aspects required by these customers. Customers who have lower incomes or who may be based in rural areas (MTN's volume segment) comprise approximately 70% of our market. These customers value basic affordable connectivity on internet-enabled phones. Attracting these customers requires MTN to offer the types of services and content that are most relevant to their needs.

## What we did

We developed the CHASE framework to address the needs of lower-income segments and customers based in rural areas. These customers generally face five key barriers to internet access, namely coverage, handsets, affordability, service bundling and education.



Implementing and realising the shared benefits of CHASE is a medium to long-term goal, and we are pleased to report progress in some areas over 2018. We commenced implementation of programmes designed to improve network coverage in rural and low-income markets and identified ways to increase the affordability of mobile handsets and data services. We simplified how some of the services that we offer are bundled to enable customers to manage their costs and access their desired data services more easily. Digital literacy, or the ability of our customers to find and effectively use the internet and social media services, is key in closing the digital divide. While we commenced work on this, more needs to be done.

Co-operative partnerships with vendors and other organisations that share our vision of digital inclusion as a means of driving social and economic transformation in our markets are fundamental to the realisation of our CHASE objectives.

### Coverage

We aim to connect the unconnected. Some of the constraints that hamper connectivity include distant locations and scattered areas of settlements, the lack of energy, road infrastructure and security in remote areas, the cost of civil engineering and radio and transmission equipment, and site maintenance access and costs.

We partnered with Facebook on the Telecom Infra (TIP) OpenCellular Project and Rural Africa programme to explore the application of cost-effective network technologies from

## Digital access and inclusion continued

start-up vendors working to meet the connectivity and data coverage requirements of people in sparsely populated and low income areas.

Laboratory trials with partners on 2G and low capacity infrastructure to address some constraints have proved promising. Technologies appear to deliver that which is required by rural customers reliably and affordably. In Nigeria and Zambia, 60 trial sites in each country testing 2G, 3G and 4G technologies are now in place. Piloting different models and technologies in rural areas will provide us with insights into technical feasibility, service performance and customer requirements. The objective of these trials is to determine if new networks can meet the requirements of customers in rural areas and can be rolled out commercially. We intend to extend similar solutions to seven additional countries in 2019.

**We implemented cost-effective, quick-deployment, solar-powered sites in remote rural areas in Ghana, Nigeria and South Africa. Anecdotal feedback from customers indicate their relief in no longer having to walk long distances to areas with network sites to make calls and access the internet.**

It is critical that the partners we work with ensure a lasting socio-economic impact on the communities where our solutions are implemented. This is achieved by training local people to build and maintain sites, and to manufacture some of the equipment or resources needed to operate sites.

### Internet-enabled affordable handsets

One of the achievements we were pleased to realise in 2018 was the development of a 3G smart feature phone through a partnership with China Mobile, UNISOC and KaiOS technology, for launch in 2019. For the majority of MTN's customers, the cost of traditional smartphones is out of reach. At US\$20 (or approximately R265) the MTN Smart 3G feature phone offers several smartphone-type services and functions enabling internet connectivity, is more affordable than other smart feature phones and has a long battery life.

Combined with our coverage plan for rural areas, enabling people to use data services on affordable connected devices such as the MTN Smart 3G feature phone instead of relying on handsets that allow voice and text services only can open a world of opportunities for people to transform their daily lives. We aim to ensure that 10 million more people can use MTN's smart feature phones to connect to the internet in the next three years.



*The president and CEO of MTN Group, CEO of KaiOS Technologies Inc., executive vice-president of China Mobile Communications Group Co. Ltd., and executive vice-president of UNISOC announced a partnership to launch the world's first 3G smart feature phone in Africa, powered by KaiOS*

### Affordability

The reasons for the affordability challenges with the cost of data are complex and inter-related and include the cost of capital and other network investments, the availability of radio frequency spectrum required for coverage and speed of connectivity, the need to ensure universal access to digital communications, and other aspects. Despite such challenges, we continue to actively seek ways to reduce costs and enhance access to data and related mobile services.

We are currently reviewing how we price and package our data services, especially on entry-level data bundles. Our objective is to increase affordability of broadband access and facilitate access to content that is specific to the needs of our customers. For instance, we now offer Facebook Flex, an entry-level service that allows people to browse Facebook for free, even if their data has been depleted. This allows people to tangibly and affordably experience the benefits of connectivity.

## Digital access and inclusion continued

### Service bundling

Our objective is to bring the most relevant content to the communities we serve in the most affordable manner. This includes simplification of how data and services are bundled. We introduced app-specific bundles and time-based bundles that are easier to understand and use in several markets.

Structuring access by listing the most popular social media services that people use makes it easier to understand communication costs (compared to selling data by describing the megabytes or gigabytes that people can purchase). Time-based data bundles allow customers to manage their budgets by purchasing access to services for defined time periods, eg one hour's worth of access to Facebook and Instagram or WhatsApp. This also allows customers to only pay for the services they most wish to use.

### Education

Digital literacy is an understanding of how to use computers, tablets and cellular phones effectively, improving how people connect, live and enhance their lives. In 2018, our focus on education included marketing campaigns, educational events and upskilling our on-the-ground sales force. We have more work to do on educating our connected customers and we intend to focus more closely on this aspect going forward.

### Looking forward

2018 focused on defining the CHASE framework and establishing it within the business, and we will continue this roll-out in 2019. This will include rolling out rural connectivity in seven more countries, launching the MTN Smart 3G T and S model feature phones in our markets and developing a cohesive digital literacy programme.

### Our impact

**68,2%  
& 33%**



3G and 4G site coverage respectively (434m people on 3G, 210m people on 4G)



**78,8 million**  
active data subscribers



**401**  
rural sites

are now operational



**45,2%**  
smartphone

penetration

# Mobile financial services

## Our strategy

Latest World Bank research indicates that 66% of sub-Saharan Africa remains unbanked. The UN has stated that digital financial services are essential to achieve universal financial inclusion. In our bid to close the financial and technology (fintech) divide in Africa and the Middle East, we aim to be the largest mobile financial services provider in Africa by offering services in 18 countries.

Mobile money is a powerful enabler of socio-economic inclusion and development, creating employment for agents and distributors, enabling improved collection of tax revenues and utility payments, supporting the sustainability of schools through fee payments, mitigating negative financial impacts on families through micro-savings, loans and insurances and ensuring communities are not left behind by facilitating remittances between workers and their families easily, instantaneously and affordably. Access to mobile financial services supports the cashless economy aims expressed by many countries in Africa, and digitising the large flows of informal cash transfers contributes to the integrity of financial markets (GSMA).

The range of solutions to close the financial services gap in the markets in which we operate requires cooperative partnerships with financial service providers, regulatory authorities, other mobile network operators, merchants, distributors, innovators and business associations. We have therefore worked on strengthening relationships with



our partners to extend access to comprehensive and affordable services, while ensuring attention is paid to protecting the system from fraudulent activity and ensuring that trust is maintained.

Mobile financial services form a key aspect of our BRIGHT strategy, enabling growth through access to digital and data services by promoting financial inclusion in our markets. We can achieve growth by transforming our mobile money offering from service-based products and basic transactions to advanced services where innovation is driven by an ecosystem of partners, focusing on interrelated transactions between consumers and businesses.

Our objective to increase digitally enabled financial inclusion will be achieved by accelerating penetration of services, extending access to services in more markets and increasing usage rates. We will accelerate service penetration by taking mobile financial services to scale in existing smaller markets and increasing investments and improving distribution and customer engagement in medium and larger markets. We aim to increase product usage by implementing additional services such as savings, lending services, international remittances and insurance.

Trust is a fundamental requirement of ensuring consumer uptake of mobile financial services and reducing losses experienced by organisations and customers. As the services offered by financial and ICT sectors converge, the risk of fraud also increases. Detecting, preventing and reducing such risks in the mobile money ecosystem requires collaboration with competitors, the financial sector, regulators and other partners.

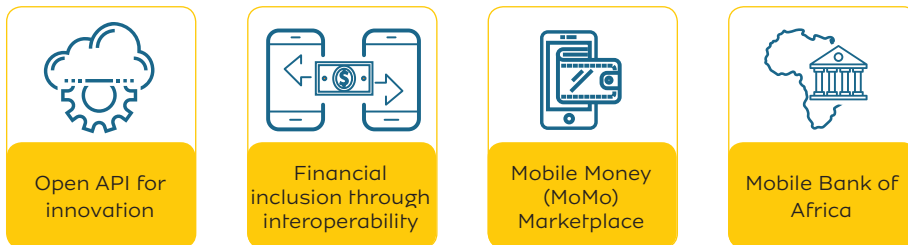
MTN has an integrated approach to risk management in mobile financial services which includes addressing fraud, security, privacy and transparency management.

## Mobile financial services continued

### What we did

#### Driving financial inclusion

We are focused on four strategic projects through collaborative partnerships to drive financial inclusion.



We launched an open mobile money access programming interface (API) in Uganda. Through free access to our proprietary software platform, the open API enables developers and programmers to innovate on our platform. This platform will allow us to simplify complex integration and partnership requirements, while supporting start-up enterprises and innovators. Developers will now be able to offer products that ease payment options and other innovative solutions to enable a wider range of mobile wallet services for our customers. We intend to extend the open API to other countries in future.

We are actively working to ensure financial inclusion through interoperability. We partnered with Orange Group to bring together over 100 million mobile money accounts and mobile money operations in 22 countries in sub-Saharan Africa. This partnership enables money to circulate freely between mobile money accounts issued by any provider, in real time and at low cost. We hope that mobile money will become a universal means of payment in Africa. We are working towards this by connecting financial service providers and customers in one inclusive network and functioning as an industry utility open to any mobile money provider including banks, money transfer operators and other financial service providers.

Our MoMo Marketplace is an initiative to transition from offering traditional mobile payment services to becoming a digital marketplace for e-commerce. Through MoMo Pay, merchants will be able to use our platform to upload their product catalogues and enable purchases and online payment. We are currently defining our proposed solution, which will be piloted in Ghana.

The Mobile Bank of Africa is our initiative to create a marketplace for financial products. We offer micro-savings and lending products with licensed organisations in several countries. Our mobile savings and loans will evolve to a multi-product financial marketplace, allowing many types of financial service organisations to provide a comprehensive range of services to our consumers. We engaged with new partners in several markets and commenced with the integration of the MoMo financial marketplace in the open API programme.

**“We have spent 10 years building the issuing part of the business, and now we have to round out the ecosystem by building the merchant network on the other side and adding other money-in and money-out options: money coming in via salaries, casual wages, social grants and so on, and money going out for payments and remittances.”**

Rob Shuter, MTN Group president and CEO

Mainstream insurance products in Africa have not always been structured around the specific needs of low-income customer segments. The lack of access to insurance results in disproportionate economic and personal hardships to affected families when losses occur. MTN's network and competencies allows us to offer relevant, accessible and affordable micro-insurance products for people who have previously been unable to benefit from traditional insurance schemes. Through aYo, our joint venture with MMI Holdings, the first micro-insurance products – Recharge with Care and Send with Care – were designed and made available in Uganda in 2016. Changes to the product and to customer processes were made following testing and product sales in 2017. In 2018, our solutions were made more widely available to customers in Uganda and subsequently in Ghana.

#### Mobile financial services certification and risk management

GSMA's Mobile Money certification was officially launched in April 2018. Eight principles with almost 300 required and 200 recommended indicators to ensure safer, more transparent and resilient financial services were set out. Certification is valid for three years and renewal requires demonstration that additional recommended indicators have been successfully implemented. Following the official launch of this certification scheme, we are proud to report that our operation in Ivory Coast was the first mobile financial service to receive certification as a result of compliance with all required indicators related to protecting customers' money, ensuring fraud is not prevalent, managing anti-money laundering, protecting data and confidentiality and ensuring customer care and transparency, among other indicators. More operations are currently being prepared for certification. MTN has been a signatory to the GSMA Code of Conduct for mobile money operators since 2014, and we are a key member of the working group driving standards and evolution of mobile money certification indicators to promote excellence in the provision of mobile money services globally.

## Mobile financial services continued

In 2018, we assessed the range and types of risks faced in our operations and developed solutions to both mitigate a number of these risks to our customers, our partners and our business. The revenue assurance risk and control framework was revised to address defective and preventative controls for over 105 activities directly related to mobile money fraud including anti-money laundering, and SIM swap, subscription, vendor and dealer fraud and systems manipulation, among others. The framework was revised to ensure consistency across our operations, and has been designed flexibly to ensure some customisation by country operations based on the types of services they offer and to ensure compliance to local regulatory requirements.

We are working towards the standardisation of primary and secondary mobile money controls across our operations. Systems, processes and reporting mechanisms are now in place to monitor and resolve fraudulent mobile money incidents in the markets in which we offer these services. One such example is our solution to combat mobile money fraud through SIM swaps. Fraudsters sometimes act in groups to capitalise on mobile money transactions. They request a SIM swap by pretending to be a customer whose SIM card has been lost, damaged or may need to be upgraded. Through the SIM swap, they can gain access to the information on the targeted customer's SIM card, including their mobile money wallet. They then send money from the mobile wallet to others in the fraud group, who withdraw and spend the money immediately so that it cannot be recovered. In response, we implemented a mechanism to detect potential fraudulent SIM swaps. A text message is now sent to customers stating that a swap is about to take place and requesting customers to contact MTN immediately if the transaction was not initiated by themselves. The message contains information about how to stop the SIM swap and how to report it. We have also taken measures to educate customers about fraud and the different ways it can happen.

We engaged with our peers, bank business partners and the GSMA Africa chapter (which focuses on the features of fraud in mobile financial services in our markets) to address fraud. We are increasingly building in "right to audit" terms in contracts with existing and new vendor contracts, ensuring that the technical and business vendors with whom we partner implement anti-fraud controls. This allows us to harness the power of partnerships to strengthen oversight, compliance, controls and mitigate issues.

Education on mobile money services, how risks arise, and how to identify fraudulent activity is critical. We engage the judiciary and police services to explain how mobile financial services work and what the potential risks are, including how customers may be defrauded. Anti-money laundering officers in each of our operations provide internal

education to staff and engage with external regulators as required. We also engage partners on issues such as fraud management in the loans process and know-your-customer (KYC) requirements.

To contribute towards the industry's learning and solution development on this issue, we developed and freely distributed eBooks and learning material on several aspects of enterprise risk and fraud management, including on a course on the mobile money ecosystem and the opportunities and risks to mobile network operators.

### Regulatory developments in mobile financial services

There has been an evolution in regulatory approaches for mobile money in our markets. Sub-Saharan Africa is a leading market in mobile money transactions globally, and with countries increasingly working towards financial inclusion and cashless economies, financial and telecommunications regulators continue to work on ensuring the growth of these services.

MTN has developed a holistic approach to regulatory changes regarding mobile financial services. Within our product ecosystem, we have a variety of mobile money models that require varying regulatory responses and services. These models range from exclusively bank-led models to telecommunications (telco) models, and hybrids of these. We envisage future regulations allowing teleco operators to become fully fledged licensed banking and financial service providers and have been working towards structuring ourselves to leverage these opportunities in preparation for these changes.

In 2018, some countries, most notably Nigeria, enhanced their regulations to advance the country's agenda on financial inclusion. According to the World Bank and the Bill and Melinda Gates Foundation, there are more than 60 million unbanked people in Nigeria. By creating a payment service bank (PSB) licensing regime, the country has created a platform for accelerated economic growth. Under the bank-led model, MTN had applied for a super-agent licence, in terms of the Central Bank of Nigeria's (CBN) Framework, which will allow mobile network operators to use their agency distribution network to participate in offering limited mobile money services. We also applied for a PSB licence. This permits mobile network operators to offer basic financial transactions including deposits and withdrawals. We have recently also applied for licensing as a micro-finance bank under the CBN guidelines. Micro-finance services include loans, deposits, insurance, fund transfers and other non-financial products for low-income clients. Through our applications, we are hoping to actively reduce the number of unbanked adults.

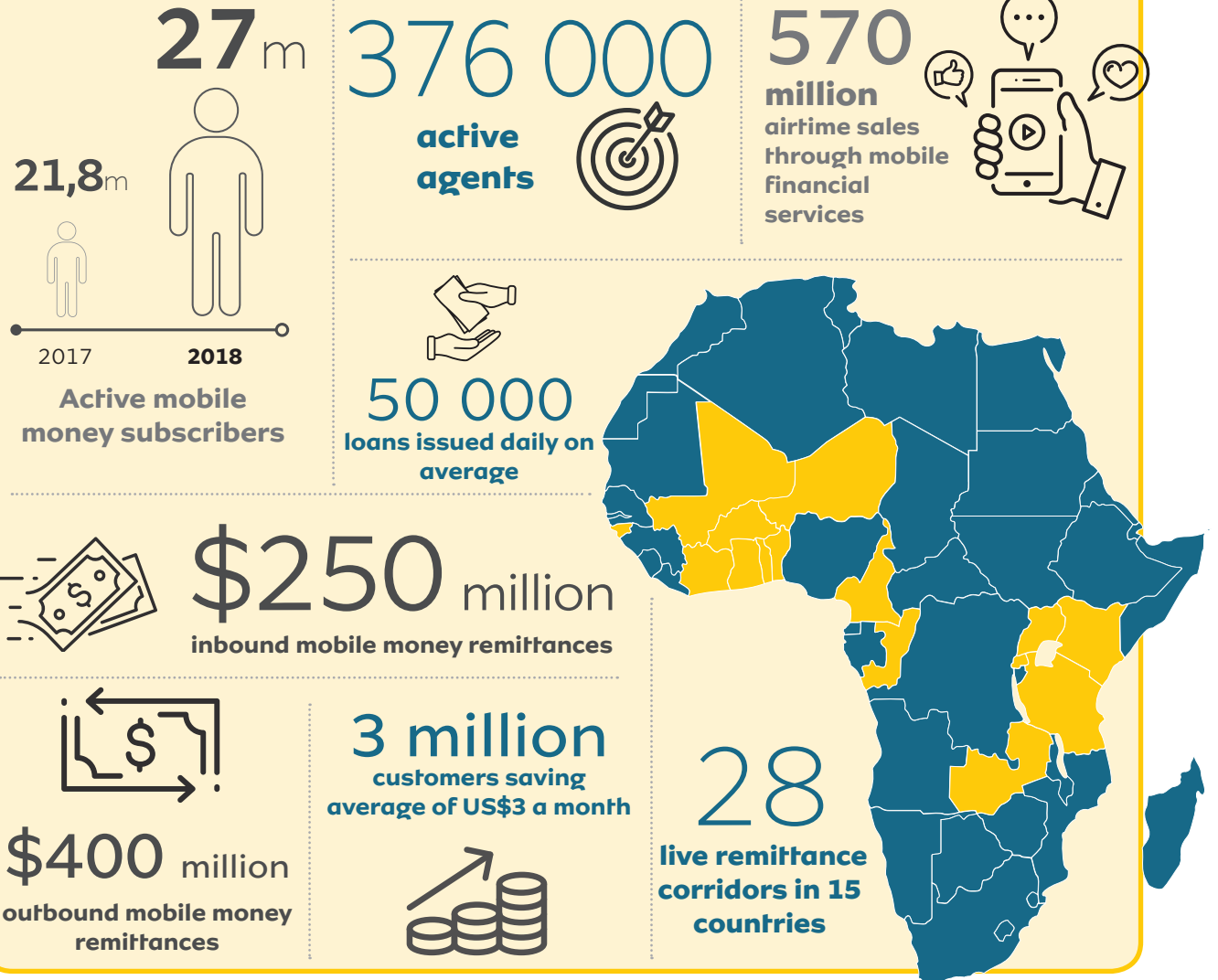
## Mobile financial services continued

Over-the-top (OTT) content providers, and social media and mobile money services also attracted regulatory attention in 2018, in several countries where we operate. Following an amendment to the Excise Duty Act in Uganda, a tax of 1% of the transaction value of mobile money sent, received and on payments made was introduced in July 2018. All mobile money service providers, including MTN, implemented the taxes as required by the prevailing regulations. Following concerns about the impact on financial inclusivity and the potential negative impact on the national economy, the tax rate was amended to 0,5% in November 2018, and now, only cash withdrawals are taxed. MTN transparently lists the tax fee in customer notifications, for customers to easily identify the charge each transaction now attracts. The National Payments Systems Bill of 2018, a law that will regulate mobile money in Uganda, is currently under development. There is no indication as to any future proposed levies on mobile money. We will continue to monitor developments in this regard. We are also monitoring developments in other countries, specifically in Benin, Cameroon, Ghana and Nigeria where tax legislation changes regarding mobile money are being considered.

To effectively respond to regulatory and licencing changes, we constructively engaged with entities such as the Bill and Melinda Gates Foundation, African Development Bank (AfDB) and regional bodies such as ECOWAS, EAC and SADC to define an appropriate approach for MTN. We have also embarked on a research initiative into the implications of mobile financial services regulatory developments. Our objective is to ensure that mobile network operators can remain innovative in meeting the demands for financial inclusion, support governments' cashless economy drives, and offer services in an effective and commercially sustainable manner while ensuring regulators have sufficient room to set out governance and regulatory requirements and meet market needs.

### What we did

In total, 27 087 000 active customers now enjoy the benefits of easy, cost-effective mobile financial services in 14 countries of operation.





## Mobile financial services continued

### Looking forward

- Mobile financial inclusion:
  - > We aim to offer mobile money services in Afghanistan, Nigeria, South Africa and Sudan.
  - > We will roll out micro-insurance services in additional countries.
- Mobile financial services certification and risk management:
  - > More operations are currently being prepared for GSMA mobile money certification in 2019, by ensuring all business processes, controls and mitigations are fully implemented.
  - > We will continue to participate in the working group of phase two of the GSMA Code of Conduct for more stringent mobile money certification indicators.
  - > We will develop educational material on events and examples, to enhance understanding of fraud and mitigation by fraud management practitioners in all operations.
  - > We will assess the use of a fraud monitoring system incorporating artificial intelligence (AI) and machine learning to identify fraudulent activity and combat irregularities, starting with research and vendor discussions in 2019.

### Solar energy for digital and financial inclusion

Against the backdrop of energy poverty and the cost of accessing digital services in many of our operating countries, MTN has partnered with lease-to-own solar product manufacturers to offer affordable, environmentally responsible and safe solutions that enable people to keep their phones and other electronic devices charged and connected to digital services.

We first launched this solution in Uganda in 2014, and it is now available in five markets, with plans to launch in Benin in 2019. We estimate that we have positively impacted around 2,3 million lives, from children who are able to study for longer hours at night to small businesses able to extend their trading hours and offer MTN Mobile Money services. Families are now able to generate income from charging phones, LED lightbulbs and other devices, and can live safer, healthier lives by reducing their use of kerosene, diesel generators, and other sources of fossil fuel-based energy. Over 1,9 million kilowatt hours of energy was produced in 2018 (assuming 1,5 charge cycles per day). We estimate savings of between US\$0.15 and US\$0.48 per day in energy costs for users, depending on the country in which they live. We replaced more than 10 million litres of kerosene with safe, clean and renewable energy.

Prepaid solar systems have increased MTN Mobile Money usage, enabling entrepreneurial revenue and financial inclusion. Test results in 2018 on a sample base of 20 000 customers showed an increase of 104% in MTN Mobile Money flows through bill payment in the three months after the acquisition of the solar system. In addition, funds sent and received in mobile money transactions increased by 18,4%.

Prepaid solar energy solutions increase affordability and access to digital communications, enhances financial literacy and provides a revenue stream for entrepreneurs. It does so in a way that addresses energy and environmental challenges responsibly. This is one of the ways in which MTN is creating shared value in the countries in which we operate.



# Corporate social investment

## Our strategy

**MTN's corporate social investment (CSI) approach is a critical piece of the "hearts and minds" component of our BRIGHT strategy. As one of the largest operators in many of our markets, we can use our resources to make a difference to the communities in which we operate, both through MTN foundations and by encouraging our employees to volunteer their time, skills and services through our 21 Days of Yello Care programme.**

Our social investments are made through MTN foundations and CSI functions in the countries in which we operate. We focus on four specific areas of critical social needs in our markets, namely education, health, enterprise development and national priority requirements. To date, we have primarily invested in supporting education in our markets, as we believe our expertise, reach and resources will enable us to make the greatest impact in this area. We are now beginning to shift our purpose towards enabling youth empowerment in our markets.

Our employees are also encouraged to make a visible and sustained contribution to the societies in which we operate. Our 21 Days of **Yello** Care volunteer programme offers an opportunity for our staff to actively contribute to community development and to be inspired by "giving back" through high-impact social projects, and to understand and appreciate the challenges faced. Priority is given to supporting rural or disadvantaged communities. The key outcome must be a direct change to the lives of beneficiaries. Our goal is to ensure that the volunteering experience is mutually rewarding for our employees, the company and the communities with whom we engage.

## What we did

An overview of the group's social and ethics committee's monitoring of our CSI activities is available on page 57 of the intergrated report [\[R\]](#).

### MTN foundations

Our strategic intention is to drive the use of technology to enable access to education, with the goal of promoting and enabling digital teaching and learning. We funded initiatives

that ensured the establishment of 53 multimedia centres, called Digital Schools or the School Connectivity project, in seven countries. This programme aims to provide students at schools or institutions of higher learning with computer and internet access through the installation of computer equipment and the provision of connectivity. The nature of the multimedia projects varied, depending on the needs of the areas in which we supported implementation. For instance, in Cameroon, we built 15 multimedia centres in secondary schools and universities across the country, aimed at offering support to at least 15 000 students. In South Africa, we ensured connectivity to meet the needs of nine schools educating close to 15 330 special needs learners.

Digital education was also facilitated in other formats. In South Africa, we worked with the Department of Basic Education to facilitate the development of content for local information technology textbooks, which will be made available in print and interactive digital format. To support educators in incorporating digital solutions into their teaching methods and to enhance existing teaching methods, ICT training was provided for teachers in at least four of the countries in which we operate. Over 1 700 teachers benefited from our investments. Provision of educational scholarships to support disadvantaged students is one of the most common ways in which MTN supports youth in communities to fulfil their education requirements.

Over  
**2 000**  
**scholarships**  
were awarded in 2018 for  
**science, technology and**  
**other fields of study**

We maintained our support for access to health care, enterprise development and for areas of national priority. Through the **Yello** Hospital project in the Ivory Coast, we have ensured the provision of vaccination rooms, and medical and computer equipment to seven community health centres. An electronic health solution which provides real-time health data and enables a digital medical filing system will benefit more than 20 000 people. The SMS Printer for Life project in Cameroon, in partnership with the Clinton Health Access initiative, uses SMS printers to reduce the turnaround time for the return of early infant diagnosis of HIV. Through this initiative, 11 838 laboratory results have been delivered and 633 new-born babies who had tested positive were enrolled in the programme. Health campaigns in Nigeria ensure that basic medical services are made available to rural areas. There was also a focus on supporting hospitals nationally. In total, 24 facilities received hospital beds, equipment and newly renovated maternity wards following our support for maternal health. In Ghana, we commissioned an ultra-modern 40 bed maternity block in the Tema General Hospital.

## Corporate social investment continued

Given the importance of emerging enterprises in the markets in which we operate, we supported programmes that provided entrepreneurial skills for SMMEs. This ranged from business and entrepreneurship support and the provision of micro-loans and equipment, to specific education programmes aimed at improving entrepreneurial skills and business management knowledge. In South Africa through our support for the Student for the Advancement of Global Entrepreneurship start-up programme, a university-based partnership on entrepreneurial skills development and an SMME ICT skills development programme, over 25 000 learners are estimated to have benefited from our support for entrepreneur education. In Nigeria, we trained 100 entrepreneurs who face additional challenges due to their disabilities, ensuring they have access to opportunities for socio-economic inclusion.

**In eSwatini, the MTN Cija Ngebhizinisi entrepreneurship training radio programme provides business and entrepreneurship training through the country's national broadcaster, reaching approximately 10 000 people.**

The national priorities in each of the countries in which we operate vary, and we are keen to support such requirements. We generally also provide aid during times of natural disasters, resource shortages and migrant population movements. Following the Adi Bududa landslides in Uganda, MTN donated school shoes and clothes to 1 000 children. In Afghanistan, the Returnee Support project assisted 500 people that had returned from neighbouring Pakistan. To solve water scarcity in West Darfur in Sudan, we provided facilities for about 450 homes, ensuring 2 250 people had access to drinking water. Given the food crisis in Yemen, our food aid support programme ensured over 20 000 people were able to overcome food insecurity and receive adequate nutrition.

### 21 Days of Y'ello Care

The 12th annual 21 Days of Y'ello Care campaign ran from 1 June to 21 June 2018. Each year we strive to improve the effectiveness of the campaign. In 2018, more than 9 000 employees dedicated their time and efforts to uplifting local communities, guided by the theme of "Creating a Brighter Future", which focused on education programmes for youth empowerment. Each MTN operation developed a programme comprising three components, namely a main educational campaign focused on youth empowerment, a project aligning with the national priority of the country, and an educational career day.

**We held our first group-wide Y'ello Global Career Day to prepare close to 7 500 young people for employment in a digital workplace.**

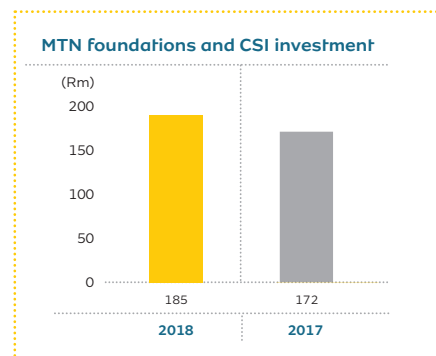
The objective of our first Global Career Day was to provide youth with insights into the world of work, what employment could look like in a digital future, how data connects people to information and opportunities and how ICT and digital technologies are influencing the world of work, employment and entrepreneurship. This flagship initiative was designed to ensure a single set of objectives was implemented and replicated in all MTN country operations on the same day. Participants were selected from communities and education institutes that would not ordinarily have had the opportunity to attend such events.

In recognition of the work of our volunteers, the group awards prizes to the most impactful projects delivered. In 2018, MTN Sudan claimed the coveted Group president and CEO prize of R1 321 000 (US\$100 000). Three regional prizes of R396 300 (US\$30 000) were awarded by the group vice-presidents.

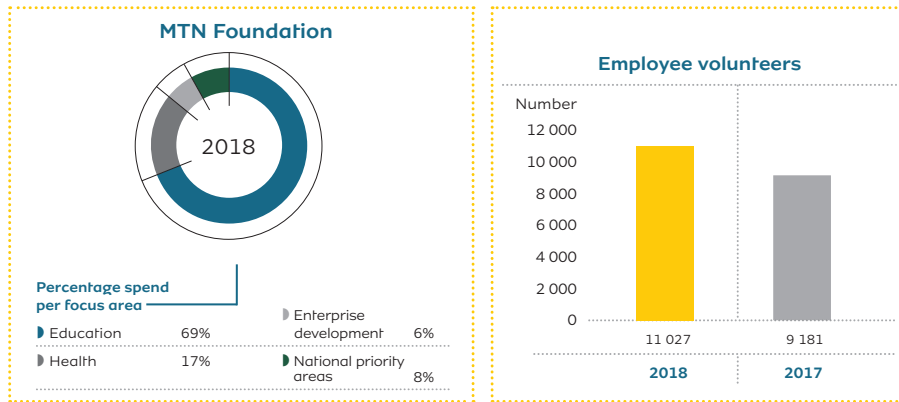
### Our impact

We invested R185m in the communities in which we operate in 2018.

Our community investment in 2018 was directed at supporting education in Africa and the Middle East.



## Corporate social investment continued



Close to 49% of our employees took time out of their work and personal schedules to directly support initiatives important to our communities.

### Looking forward

With over 60% of Africans being under the age of 25, we aim to ensure maximum effectiveness and impact in our markets by supporting access to resources, capacity building and development of youth, ensuring their potential can be leveraged.

We plan to reorient our CSI funding strategy towards youth empowerment. Our focus for the upcoming year is to finalise our group policy and strategy in this regard. The new strategy will aim to deliver a more holistic ecosystem of solutions, including access to digital education. Support is aimed at people aged between 15 and 24, including school learners, students and young entrepreneurs, and youth who are unemployed and not undertaking tertiary education.

### MTN Sudan Wins 2018 Group president and CEO award for volunteerism

Approximately 62% of the 42 million people in Sudan are young people, many of whom are increasingly struggling to sustain themselves due to a lack of access to education or skills that can ensure meaningful employment.

MTN Sudan's 21 Days of **Yello** Care programme comprised three business clinics hosted by MTN employees. These included:

- Business development and project management training for youth who wish to start businesses but were unsure about where to start.
- A business mentoring clinic (one-to-one business coaching) for young people who have business ideas and need support in business-related subjects such as marketing, sales, finance, etc.
- A Do-It-Yourself (DIY) clinic for people living with physical disabilities to learn more about accessing and using recyclable materials, and how to convert these items into commercial products.

MTN Sudan also ran a separate campaign to draw in multiple commercial partners, ensuring a more sustained impact beyond the 21-day period of the **Yello** Care campaign. An agreement with Dukkansd.com, an online shopping and logistics site for businesses in Khartoum, now ensures a merchant account for the Disability Union, ensuring free access and services to people living with disabilities. Through a partnership with the New Horizon Centre, weekly discussions to enable entrepreneurs to raise business difficulties and to seek solutions are now being hosted.





Ethics and  
human rights

# Ethics and human rights

The benefits of the rapidly evolving digital technology must be balanced with responsible application. It is our intention to always conduct our business ethically and in a legally compliant manner, acting to the best of our abilities for the greater good of our business and our stakeholders.

## Contributing to the UN SDGs and UN Global Compact

	UN SDG indicators	UN Global Compact Principles	MTN's contributions
	<b>16.2</b> End abuse, exploitation, trafficking and violence against and torture of children	<ul style="list-style-type: none"> <li>• <b>2:</b> Ensure non-complicity in human rights abuses</li> </ul>	<a href="#">Protecting children online</a>
	<b>16.5</b> Reduce corruption and bribery in all forms	<ul style="list-style-type: none"> <li>• <b>10:</b> Work against corruption in all its forms, including extortion and bribery</li> </ul>	<a href="#">Ethics strategy</a>
	<b>16.10</b> Ensure public access to information and fundamental freedoms per national legislation and international agreements	<ul style="list-style-type: none"> <li>• <b>1:</b> Support and respect protection of internationally proclaimed human rights</li> <li>• <b>2:</b> Ensure non-complicity in human rights abuses</li> </ul>	<a href="#">Digital human rights strategy</a>



### MTN Sudan wins the Ethics Institute Initiative of the Year Award; MTN South Africa is a runner-up.

At the 2018 National Ethics Officers Learning Forum held by the Ethics Institute, MTN's group ethics office presented a paper on raising the profile and legitimacy of the ethics function in organisations. The 2018 ethics initiative of the year award was also hosted at this event. Organisations from across Africa who are members of the Ethics Institute entered the competition. Two of the three finalists were MTN operations who were recognised for exceptional initiatives to make ethics real in their business environments. Finalists presented their initiatives and shared the results of the impact of the initiative in their business environments. The winner was elected through voting by the audience of ethics practitioners. MTN Sudan was the overall winner for 2018, with MTN South Africa and the City of Cape Town being runners-up. MTN Sudan's winning initiative entailed a weekly forced policy quiz for all employees, in response to an identified ethics risk where there was deviance from policy and procedures.

## Ethics and human rights continued

### What we said we would do in 2018

Activity	Progress	Results
Continue roll out of supplier code of conduct		This is an incremental process. New suppliers are automatically required to accept the code when registering on MTN's procurement system, before a working relationship can commence. Existing suppliers will be reviewed against an annual supplier "health" check, which will trigger them to accept the code. In total 1 022 partners have endorsed the code since 2017
Continue employee training and education on ethics		A total of 8 673 employees undertook training or participated in ethics awareness initiatives. <a href="#">See ethics awareness and recognition</a>
Promote a shared meaning of ethics regarding leadership's commitment to ethics across the group and ensure primacy of ethics in MTN		More information on our 2018 activities, including enhancing internal capabilities, improving policies and guidelines and promoting corporate integrity internally and externally is available in the ethics section on <a href="#">what we did</a>
Improve focus on privacy management		See more about what we did regarding privacy regulation and policy development in the section on <a href="#">privacy</a>
Update digital human rights policy		The policy was updated but not finalised as a few principles were dependent on the development of a new group privacy policy (work in progress). Updates to the digital human rights policy will be finalised in 2019 once the new group privacy policy is complete
Improve management of children's human rights, specifically focused on prevention of access to abusive content on children		We commenced discussions with Internet Watch Foundation (IWF) on the activities and solutions that we can implement to enhance our current management of this issue. We implemented a system that increases oversight and blocking of illicit traffic regarding sexual abuse of children on MTN.NET, an MTN internet service provider. More information is available in the section on <a href="#">protecting children online</a>

#### Legend

Completed 
 In progress: on schedule 
 In progress: behind schedule 
 Not achieved

# Ethics

## Our strategy

**We adhere to a culture of sound ethical business conduct that generates shared value for MTN and our stakeholders. We do this through clearly defined policies, strategies and management approaches, awareness and education, and externally evaluated risk assessments.**

Directors and employees are encouraged to be transparent with regard to any situation, which if not disclosed, could compromise the standards set out in our code of ethics. This code includes our position on risks towards corporate governance, customer treatment and service, employees, interactions with governments, communications, a commitment to communities, society and the environment, and employee conduct. MTN's whistleblowing facility is operated independently by an accredited third-party organisation, and is available to employees, suppliers, customers and members of other stakeholder groups to report their concerns anonymously. An internal ethics advice and helpline is also available to advise employees on ethical conduct.

- **MTN has a zero-tolerance approach to fraud, bribery and corruption.**
- **All directors and employees are required to declare their interests annually.**
- **Employees are required to raise their concerns and report wrongdoing within the workplace.**
- **MTN undertakes to protect employees against any operational detriment or reprisals resulting from whistleblowing in the workplace.**
- **MTN has a strict "no gifts" policy. All gifts, entertainment and hospitality, whether offered, declined or accepted, must be declared via an online gift registry.**
- **Particular care is taken in respect of any payments to or at the request of public officials.**
- **MTN's supplier code of conduct must be applied consistently to ensure that suppliers, employees and subcontractors adhere to ethical and good governance practices.**
- **All directors and employees must be conversant with the group's compliance requirements.**
- **Non-compliance with our ethics policies and instances of breaches will be dealt with through disciplinary processes.**

We commission an ethics risk assessment (ERA) by an independent organisation every three years. The last ERA was conducted in 2016. The results informed our three-year strategic plan on ethics management activities between 2016 and 2018. The ERA identifies MTN's opportunities or ethical behaviours, practices or beliefs that contribute to our ethical culture. It also identifies those behaviours, practices or beliefs that could harm internal and external stakeholders and that should therefore be actively managed. In addition to a consolidated group ethics risk report, each MTN country of operation also receives its own detailed ERA report and ethics risk profile with actionable recommendations. We monitor and track risks and actions using an ethics risk dashboard, and measure our ethics management programme effectiveness, to determine the impact of our efforts. The next ERA will be conducted in 2019.

More information on MTN's ethics approach, policy positions, governance and management is also available on our website [🌐](#).

## What we did

This report complements and provides more detail to the social and ethics report in the group's integrated report. [IR](#) Our key activities for 2018 were to continue the implementation of our three-year combined compliance and integrity strategy following results indicated by the ERA process.

### Ethics capability

We implemented a model of three lines of defence across our footprint. This was a major step towards MTN's improving ethics management maturity. More information regarding our risk and compliance function can be found in our integrated report. [IR](#)

The first line of defence resides with our operational management processes, which must ensure that adequate managerial and supervisory controls are in place for compliance and control. The second line of defence is required to ensure that risk oversight occurs through monitoring, identification of issues and risk appetite shifts. Significant changes were made within our business risk management function concerning this line of defence, which now includes an expanded focus on ethics risk management. The third line of defence includes the use of existing audit controls and forensics functions to ensure compliance and identify areas for improvement. With the introduction of this new model, risk and compliance activities in all operations now also include a dedicated ethics function.

Appointed ethics functionaries are required to formally qualify as ethics officers. This is a critical step towards ensuring that each MTN operation develops its ethics office capability to the desired level. A total of 38 ethics officers certified by the Ethics Institute now ensure institutionalisation of MTN's ethics management strategy. Additionally, ethics management tools were developed to assist operations that do not yet possess the requisite ethics office capability required by the group.



## Ethics continued

### Ethics guidelines

We developed and rolled out governance guidelines for ethics management committees in each operation. These guidelines outline the role of the country's ethics management committee, its representation, constitution and how it should function, thus ensuring standardisation across all our operations. In line with principle 2 of the King IV Report on Corporate Governance, our employees and other stakeholders are educated and familiarised with our ethical standards. Our code of ethics and ethics position statements are shared on our website and are referenced in employee and supplier contracts.

We developed an employee conduct passport, which elaborates on the principles set out in the code of ethics and provides more detail to enable our employees to align their conduct with our business strategy. The passport, to be rolled out in 2019, will reinforce the values that will lead to our corporate success and underpin how we can enhance trust in our stakeholder relationships.

### Anti-bribery and corruption policy

MTN has a zero tolerance approach to fraud, bribery and corruption, and we are constantly striving to improve our efforts to prevent these activities. We updated the group anti-bribery and corruption policy to ensure that our efforts against fraud, bribery and corruption continue to align with the overall group ethics framework.

### Ethics management effectiveness

In previous years we tracked ethics inputs. In 2018, we began to track outputs, to better understand the effectiveness and impact of ethics management in our various operations. This was formalised in a dashboard and assessment process to establish whether each MTN country of operation has the required capabilities to manage ethics effectively, and to the desired effect. The dashboard and assessment process was approved in 2018, for implementation in 2019.

We conducted an annual audit of the group's culture, to assess employees' perceptions of MTN. The group culture audit (GCA) dimension on MTN's corporate integrity increased by 3%. This indicates that our employees believe MTN is making progress in addressing issues of ethics and integrity across our business.

### Ethics awareness and recognition

Employee education and awareness of individual and corporate ethical behaviours and decisions is an ongoing exercise for MTN. Digital and facilitator-led training, campaigns and workshops and recognising instances of behaviour that promote corporate integrity are some of the tools we use to maintain awareness.

On 17 October 2018, MTN joined the Global Ethics Day initiative to celebrate the contribution of organisations to the upliftment of society, the protection of the planet, and to the UN SDGs. A Global Ethics Day toolkit was developed to ensure that all our operating companies were able to join in the celebrations.

For organisations such as MTN that operate across a diverse set of contexts, the question of universal values and ethics are particularly important. An expert speaker from Ethics Monitor provided guidance with the help of a presentation on whether there is such a concept as global ethics or set of universal values, and what these may be. The presentation centred around values widely accepted, such as the Universal Declaration of Human Rights, and how universal values can vary given that different people and countries can hold differing values. With massive technological advances in the world, the global case for ethics and the role of legislation and enforcement to prevent disastrous outcomes was also put forward. MTN shared lessons with various South African organisations on our experience in embedding ethics management practices.

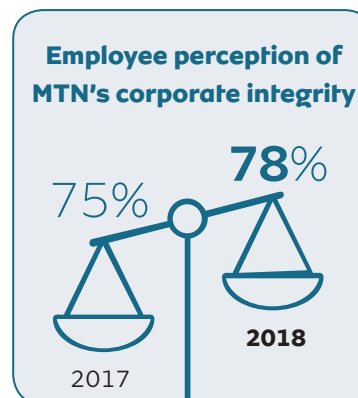
All MTN operations conducted customised ethics awareness campaigns based on their objectives with respect to institutionalising ethics locally. MTN South Africa's extensive "Press Pause" campaign encourages employees to reflect on the ethical dimensions of professional, business and personal decisions. Employees are advised on how to think about the appropriate behaviours and actions that they, and their colleagues, should exhibit and how to appropriately respond to observed unethical conduct. MTN Ghana's efforts to deepen ethical values and awareness of integrity among all employees included general and CEO-led communications and a global ethics workshop held in a number of business divisions. Close to 215 staff attended ethics lectures, where prizes were awarded for team members who demonstrated an understanding of ethics issues and management in MTN.



Our employee recognition platform, MTN Shine, was expanded to recognise and applaud desired ethical behaviours. This platform aims to promote and reward behaviours that result in heightened corporate integrity that exceed compliance requirements. The number of reported incidents of recognition have more than doubled since the introduction of recognition for behaviours that promote corporate integrity, suggesting increased awareness of ethical behaviour and its importance.

### External capacity building

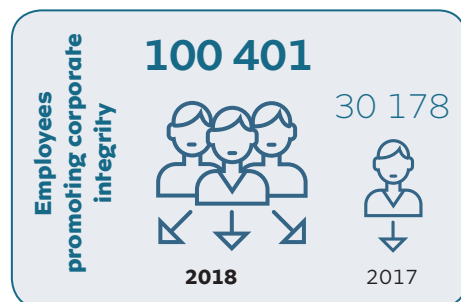
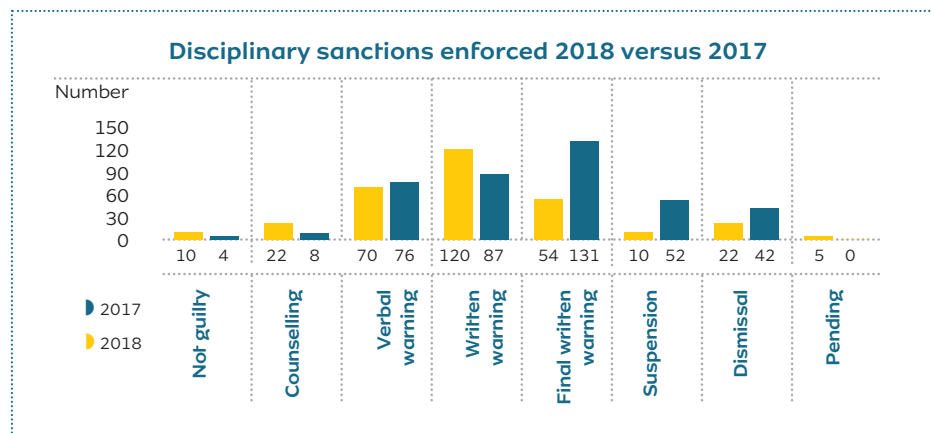
We held supplier and partner workshops to create awareness and understanding of our supplier code of conduct. This resulted in a significant increase in partner endorsements of the code, from 175 vendor endorsements in 2017 to 1 197 in 2018.



## Ethics continued

It is important to us to support meaningful efforts to improve the level of public trust and ethical practices globally. We therefore funded the release of the Ethics Office Handbook, published by the Ethics Institute. The handbook will enable organisations to raise the standard of ethics management across the African continent and in the Middle East. The outcomes from the implementation of recommended practices will increase the number of companies that experience the interconnectedness between conducting business ethically, building public trust, and improving their company's performance. All MTN ethics officers were issued with copies of the handbook.

### Our impact



- A total of 8 673 employees undertook training or participated in ethics awareness initiatives.
- 100 401 instances of employees promoting corporate integrity were recorded.
- 11 additional MTN ethics officers were certified by the Ethics Institute.
- 1 197 suppliers and partners endorsed the supplier code of conduct.
- 94 calls were made to the tip-offs anonymous whistleblower line.

### Looking forward

- **Launch MTN conduct passport:** For employees and entities engaged in business with MTN, this is a single point of reference on our standards of ethics and conduct that must be met. We will ensure employees become familiar with the conduct passport by including it in induction programmes and employee training.
- **Complete new ethics risk assessment:** We will be revising our three-year strategy after a new ethics risk assessment is completed in 2019. Ethics management initiatives will also be included in the new ethics management strategy, once the risk assessment identifies types of fraud, and harmful behaviours, beliefs and practices in our environment.
- **Continued focus on fraud management:** Our 2019 to 2021 efforts will be focused on aspects such as the occurrence of fraud, the control environment, active communication of ethics codes and standards at all levels of the organisation, consistent tone at the top, implementation in all operations and improved reporting.
- **Conduct annual conflict of interest disclosure process:** All employees are required to declare if they have any relationships from which they or a person associated with them may derive personal benefit because of their relationship with MTN. The declaration process will be conducted in early 2019.
- **Implement ethics management outputs:** The ethics management outputs dashboard and assessment process are the tools we will use to improve our understanding and insights into the effectiveness of ethics management in our operations. This will be implemented in our operations in 2019.

More information on our key focus areas for 2019 may also be found in the social and ethics committee report [\[R\]](#).

# Digital human rights

## Operating context

**Digital human rights are the rights of people to freely, safely, privately and securely express themselves using digital solutions.**

In recent years, peoples' ability to freely, safely and securely express themselves online has become a global issue of concern for all stakeholders. We continue to observe several trends and incidents particularly with respect to access and use of personal information, security breaches, content manipulation that can influence people's opinions, restrictions on freedom of online expression, and the misalignment between expectations of online rights, offline rights and national laws. Recent developments have shone the spotlight on individuals' online rights and have increased global awareness on the need to safeguard these rights. As cloud-based and other services are increasingly used to store, process and manage data, the alignment between how prevailing national legislation regulates cross-border data flows and the security of data is also an area of concern.

The UN General Assembly affirms that the rights held by people offline must also be protected online. As more people become aware that some of the rights they expect online may not always be consistently applied in the same way as their "real-world" rights, demands on regulators and companies to redress this have increased. These include the right of customers to choose who can access their information and for what purposes. The balance between companies' use of data for legitimate purposes, service provision and regulatory compliance versus how and why data is shared with third parties must also be maintained. Issues also emerge as innovations – including the use of automated decision-making tools and AI – are increasingly deployed worldwide. In some instances, these developments have resulted in increasing regulatory oversight regarding innovation and internet usage.

These issues are complex, inter-related and fast-evolving. Solutions are often unclear and lag behind developments. We continue to see stakeholders at opposing ends of the spectrum regarding how rights are enforced online. Innovation that is self-regulated or unregulated can be most impactful, but may introduce risks that were not anticipated, resulting in calls for regulation. While regulation is often an enabler to innovation and reinforces peoples' rights, it too can have unintended consequences on the free-flowing nature and open principles on which the internet was founded. Although digital innovation has changed economies and improved access to opportunities, trust in the internet and social media must be rebuilt. All stakeholders including the ICT industry, governments and regulatory authorities, civil rights organisations and media need to work together to ensure the benefits of connectivity are not undermined by activities that limit how people can use digital technologies to enhance their lives.

## Our strategy

MTN facilitates digital communications between people and organisations in multiple countries. These represent a diverse range of geographic, political, regulatory, socio-economic and cultural environments. Through our operations, over 233 million people are connected, and have access to opportunities to transform their lives. However, these varying contexts add a significant degree of complexity to the provision of communication services.

External developments over which MTN has little or no reasonable control often occur. In such instances, we find that the interests of the multiple stakeholder groups with whom we engage including authorities, regulators, customers and civil rights groups sometimes contradict with each other. This places us in the challenging position of balancing the requirements of the licences and multiple laws in our operating countries with some of the basic rights and freedoms set out in the UN's Universal Declaration of Human Rights. These challenges do not negate MTN's responsibilities: we are committed to conducting our business responsibly and ethically, and in compliance with all applicable laws, regulations and the terms of our operating licences. Ultimately, our decisions are aimed at ensuring the least possible negative impacts on our operations and our stakeholders.

We have actively researched and implemented processes that help us balance several inter-related factors when making decisions on advancing peoples' rights to online freedom of expression, privacy and security. The challenges posed by varying regulations and stakeholder demands are mitigated by our reference to the global protocols, and regulatory compliance, licence obligations, risk and issue management processes. We assess international conventions and how these are distilled into regional frameworks and national laws, which require MTN's adherence. We are also informed by the principles set out in the United Nations Guiding Principles on Business and Human Rights. We work with organisations such as the GSMA and the UN Global Compact to maintain an understanding of human rights developments and implications for MTN. We continually review the work of the United Nations Commission on Human Rights and other organised groups and engage with stakeholders and independent human rights experts to assist in the development of business processes to help us improve how we manage peoples' rights and mitigate negative impacts.

MTN Group's digital human rights policy sets out the principles which we apply to safeguard the rights of our customers. It does this in a manner that is consistent with internationally recognised standards and regulatory requirements on freedom of expression, access to and security of information and privacy, while ensuring that we remain compliant with the terms of our licence conditions and prevailing sovereign laws where we operate. The group's policy further outlines measures to address any conflict between the relevant national laws and MTN's international obligations to ensure the

## Digital human rights continued

protection of our customers' rights to freedom of expression, privacy and security. The group's policy is informed by the United Nations' Universal Declaration of Human Rights and takes into consideration some of the recommendations expressed within the United Nations Protect, Respect and Remedy Framework, the African Union Commission personal data protection guidelines for Africa, and by various industry and civil rights groups working on this matter.

The following principles underlie MTN's position on human rights. The group's policy position is available on our website: [🔗](#)

- We believe in the rights of all people to freely communicate and share information, and to enjoy the right to privacy and security in their use of digital communications.
- While acting in accordance with prevailing laws and licence conditions, we will use our best endeavours and scope of influence to protect, respect and ensure these rights of all customers using our solutions where laws and licence conditions may not appropriately recognise the rights of our customers.
- We will take reasonable steps to maintain data transmission and storage confidentiality and security.
- We will only gather customer data for legitimate commercial business purposes and as permitted by licencing and legal obligations.

These principles lay the foundation for our digital human rights due diligence approach, which comprises the following steps: assessment of potential impact, development of policies, integration of policies into processes, tracking of impacts, and identification of remedies.

Governance of human rights in MTN is overseen by the social and ethics committee of our board and our executive team. Non-crisis events and operational management of human rights matters are delegated to legal, compliance and other senior officers in our operating countries. For MTN, crisis events are defined as instances that have a potential mass, wide-ranging and material impact on many of our stakeholders simultaneously, or that significantly impact our ability to offer our regular products and services. For such crisis events, a core senior team in the affected MTN country of operation manages and resolves each incident directly. This includes the country CEO and executive team, as well as the regional vice-president and group executive management (including the officers for regulatory and corporate affairs, risk, legal and where required, human resources).

All ICT organisations should expect increasing regulatory oversight. This includes the strengthening of customers' online rights and their ability to exercise choices, the use of customer data for product development and advertising, and controls over business intelligence tools used for decision-making. MTN also expects, and has experienced, more regulation on information that is collected through basic activities and connected devices, cloud storage and cross-border data transfers. Our work on governance and operational processes to manage these matters is ongoing.

### What we did

In 2018, we focused on improving governance, freedom of expression and privacy management processes, customer controls in mobile advertising, ensuring customers are treated fairly and preventing access to abusive content on children.

#### Privacy developments

Our primary responsibility is the confidentiality of customer data, and this is reinforced in our operating licences. The group's digital human rights policy sets out the principles by which we respect our customers' privacy, freedom of expression and security.

In 2018, we focused on the implications of the risk of data breaches, how to offer value-added services and information to customers while empowering them on data rights and choices, the implications of European Union Global Data Protection Regulation (GDPR), the requirements of the Public Access to Information Act (PAIA) and Protection of Personal Information (PoPI) regulation in South Africa, and the development of privacy bills or laws in Ghana, Kenya and Uganda. We actively monitor and participate in these legislative processes, and ensure compliance to laws. These issues also necessitated a review of the existing group's privacy policy to ensure that we promote responsible practices regarding the handling of data. This privacy policy complements and extends the privacy principles set out in the group's digital human rights policy. It will be finalised in 2019.

The privacy policy is an integral aspect of good corporate governance, ensuring that we conduct our business in accordance with the letter and spirit of applicable regulatory requirements and protecting the personal information for which we are responsible in the respective jurisdictions in which we carry out our operations. The policy will incorporate commonalities across our operations without compromising MTN's obligations in each operating jurisdiction. The policy will specify how to ensure the privacy rights of natural and juristic persons about whom personal information is available to MTN. We also expect that third parties will respect MTN's privacy principles. The policy will set out the types of personal information we collect from customers, how we will treat that information and the

## Digital human rights continued

circumstances under which we share it with third parties. It provides for obtaining customer consent and commits to maintaining the security of the personal information collected.


We have taken guidance from legal and privacy experts in updating this policy. We intend to finalise these amendments in 2019. Following this, the current principles related to privacy as stated in the digital human rights policy will also be aligned, and the updated digital human rights position will be published on our website.

GDPR came into effect on 25 May 2018 for all European Union (EU) member states. Although MTN does not operate in the EU, some of our activities such as call and data traffic transmissions through the EU may be conducted through third-party arrangements. We have researched GDPR requirements and implications on our business activities and on our customers. There remains some uncertainty about how GDPR is interpreted and applied by organisations worldwide and the territoriality scope of the GDPR. We are reviewing these matters to determine applicability and compliance requirements for our operations in Africa and the Middle East.

### Governance, freedom of expression and privacy processes

Ranking Digital Rights (RDR) is a US-based civil society organisation that assesses 22 global internet, mobile and telecommunications providers on their disclosed commitments and policies affecting freedom of expression and privacy. MTN Group and our South African operations are assessed on an annual basis. Participating in the annual RDR Corporate Accountability Index offers MTN a roadmap to operate services that respect and protect human rights. We have begun to use the RDR index as a guideline to improve our internal and external processes and consider the index to be a relevant tool for ongoing monitoring and enhancement of our activities.

Our objective is to improve our performance by addressing the issues raised through the RDR report. This is a phased process, and where possible, RDR's indicators were aligned to existing process enhancements already being undertaken by MTN South Africa. In 2018, this included the implementation of a privacy compliance programme (to be completed in 2019) and the establishment of an information privacy office to deliver sustainable privacy compliance methods to all stakeholders including shareholders, customers, regulators, third parties and employees. Information officers have been appointed to ensure compliance with the conditions of lawful processing of personal information and to maintain MTN's pledge to collect, use and share information responsibly.

As a result of this focus and the indicators set out by RDR, MTN South Africa firmed up privacy governance through structures, policies and re-engineered processes. These include published notices and disclosures to customers, third parties and employees, refined processes to manage incidents and breaches, enhanced data protection security safeguards, documentation of personal information data flows and remediation against control deficiencies, implementation of privacy controls into the supply chain end-to-end process, and inclusion of privacy by design principles when implementing all transformational programmes of work. More information is also available at the MTN SA Privacy Centre. 

### Empowering customers through fair treatment and mobile advertising controls

To ensure a comprehensive range of services to our customers, we partner with value-added service providers (VASPs) or wireless application service providers (WASPs) to offer value-added or premium services to customers, using MTN's Service Delivery Platform and the MTN Play platform. Examples of such services include basic text information such as news and weather alerts and more advanced content services available on mobile sites, apps and the internet.

The way MTN and our partners treat our customers is an issue we take seriously. We ensure that our partners observe the same stringent obligations in meeting the needs of our customers fairly and responsibly, as we do. As the number of services MTN offers subscribers continues to increase, it is important that customers are empowered by being aware of the costs they incur, the services they use and how to control and remove access to these services. To facilitate transparency and customer control, we developed a framework to ensure that our customers are treated fairly (TCF). The framework sets the mandatory requirements for implementation in key customer service processes in all MTN operations. Implementation of TCF requires that customers authenticate their access to any third party platform and MTN service, confirmation is received about the services customers wish to subscribe to by opting-in twice, ensuring users can set "do not disturb" messages to restrict promotional or unsolicited messages, providing subscription renewal notifications, and supporting users' requests to unsubscribe from services using all reasonable terms such as "cancel", "stop", etc. Welcome messages are sent for various activities including when SIM cards and subscriptions are activated, and when customers roam on other networks. This assures us that our customers are aware of activities on their handsets and can notify MTN in the event of any concerns regarding possible fraudulent activity. Customers who accept free trials will have control of whether they want to subscribe to the services at the end of the trial period. Controls are also

## Digital human rights continued

defined for limiting the number of charge attempts per day per service for each customer. To ensure that our customers understand their rights and are treated fairly, each of our country operations can use market-relevant and widely understood words and language while ensuring compliance with the overall framework. The framework is currently being implemented in our operations.

In the year under review, we have had to comply with stringent regulatory requirements regarding mobile advertising and marketing in some of the countries in which we operate. Targeted advertising uses sophisticated methods to tailor advertising campaigns to provide information that is helpful or relevant to customers' interests. It is based on data collected that provides insights into the personal traits of audiences, such as demographic characteristics, or their online behaviours, such as browsing or purchase history. Most targeted mobile advertising currently uses second-order proxies for targeting, such as tracking the online or mobile web activities of consumers or using a search word as the basis for implied interest or contextual advertising. It therefore has significant implications for the privacy of information of MTN customers.

In response, we developed a Mobile Media Code of Conduct that binds MTN-accredited sales channels, advertisers and agencies to take the necessary steps to ensure that customers' rights are respected in terms of advertising content and privacy. It also outlines specific principles for collecting data from individuals to ensure privacy. Those who collect information in connection with marketing communication activities must have a privacy policy providing a clear statement if collection of data is taking place.

Several strict controls have been implemented to mitigate the risk of the code being breached. Some of these controls include the use of encryption and anonymisation, and ensuring that customers' rights to opt out from receiving marketing material are codified.

### Protecting children online

MTN is a signatory to the GSMA Mobile Alliance Against Child Sexual Abuse, which works to create significant barriers to the misuse of mobile networks and services for hosting, accessing, or profiting from child sexual abuse content through a combination of technical measures, cooperation and information sharing.

In 2018, we implemented a third-party software solution that enables us to block URLs hosting Internet Watch Foundation (IWF) blacklisted content across some of our internet service provider (ISP) networks. We will review and implement similar solutions that fit with our technical considerations to effectively block blacklisted URLs across our remaining networks and markets over the next few years.

GSMA is a member of the Internet Watch Foundation (IWF), which is dedicated to combating the availability of child sexual abuse content online. MTN commenced direct membership application discussions with IWF, subject to technical considerations, and we hope to conclude this process in 2019. In 2018, we participated in roundtables and reporting portal launches hosted by IWF and regulators and social service ministries in Liberia and Zambia, as part of our active support for solutions focused on reducing digital access to abusive content on children. In Liberia in early 2019, we will support the work of IWF and the Defence for Children International Liberia (DCI Liberia) by sending out text messages to all our customers alerting them of a new portal to anonymously report online abuse of children.

### Looking forward

- **Group privacy policy and digital human rights policy revisions:** Updates to ensure the needs of our stakeholders with respect to privacy, freedom of expression and information security are met effectively will be finalised in 2019.
- **Digital human rights processes improvements:** We will continue to improve our processes using the RDR Index in South Africa, and in other operations, over time.

Environmental  
responsibility



# Environmental responsibility

Through the conservative use of resources and innovation, we will improve MTN's resilience and mitigate negative environmental impacts.

## Contributing to the UN SDGs and UN Global Compact

	UN SDG Indicators	UN Global Compact Principles	MTN's contribution
	<b>6.4</b> Water-use efficiency across all sectors	<ul style="list-style-type: none"> <li>• <b>8:</b> Initiatives to promote greater environmental responsibility</li> <li>• <b>9:</b> Development and diffusion of environmentally friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Green office operations</a></li> <li>• <a href="#">IoT solutions</a></li> </ul>
	<b>7.1</b> Affordable, reliable modern energy services	<ul style="list-style-type: none"> <li>• <b>8:</b> Initiatives to promote greater environmental responsibility</li> <li>• <b>9:</b> Development and diffusion of environmentally friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Risk and climate change response</a></li> <li>• <a href="#">IoT solutions</a></li> <li>• <a href="#">Solar energy for digital and financial inclusion</a></li> </ul>
	<b>12.2</b> Sustainable management and use of natural resources	<ul style="list-style-type: none"> <li>• <b>7:</b> Support for a precautionary approach to environmental challenges</li> <li>• <b>8:</b> Initiatives to promote greater environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">IoT solutions</a></li> <li>• <a href="#">Green office operations</a></li> <li>• <a href="#">EMF management</a></li> </ul>
	<b>13.1</b> Resilience and adaptive capacity to climate-related hazards and natural disasters	<ul style="list-style-type: none"> <li>• <b>8:</b> Initiatives to promote greater environmental responsibility</li> <li>• <b>9:</b> Development and diffusion of environmentally friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Risk and climate change response</a></li> <li>• <a href="#">IoT solutions</a></li> </ul>
	<b>15.7</b> Action to end poaching and trafficking	<ul style="list-style-type: none"> <li>• <b>9:</b> Development and diffusion of environmentally friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Risk and climate change response</a></li> <li>• <a href="#">IoT solutions</a></li> </ul>
	<b>17.7</b> Environmentally sound technologies in developing countries	<ul style="list-style-type: none"> <li>• <b>8:</b> Initiatives to promote greater environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Risk and climate change response</a></li> <li>• <a href="#">IoT solutions</a></li> </ul>



## Environmental responsibility continued

### What we said we would do in 2018

Activity	Progress	Results
Enable seamless deployment of IoT solutions based on expansive network infrastructure across operations		Examples of the solutions deployed on our network are available in the section on <a href="#">IoT solutions for climate management</a>
Finalise group environmental policy		We elected to continue applying existing country policies, and instead increased our focus on our most material environmental impact area, namely energy consumption
Complete phase 2 of green office programme		Initiatives to manage the use of energy, water, paper and waste outputs is now an ongoing operational aspect of in a number of countries. See <a href="#">Greening office operations</a>

#### Legend

Completed 
 In progress: on schedule 
 In progress: behind schedule 
 Not achieved



### Solar-powered rural sites

In Ghana, Nigeria and South Africa, the implementation of Huawei's RuralStar, an innovative solar-powered network solution for remote rural areas, has enabled MTN to avoid diesel use and GHG emissions while supporting our goals of digital inclusion and BRIGHTer lives for our customers.

# Energy and climate

## Our strategy

Climate change and the associated physical, regulatory, economic and social impacts are already presenting material risks and opportunities across the world. MTN operates in emerging markets in Africa and the Middle East, several of which are also classified as least developed by the UN. These countries traditionally have fewer economic and social support resources to build their resilience and mitigate the impacts of significant environmental events. We therefore recognise the importance of reducing our impact on the environment, and to develop solutions that can reduce these challenges.

### Energy sources and management

Our network infrastructure consumes approximately 96% of the total energy we use. We consume energy from diesel, gas, coal and hydro-powered national grids, and directly generate energy from solar and wind.

Our strategy to mitigate our climate impact is to continually seek opportunities to extract energy efficiencies where possible and to maintain investment in renewable sources of energy. Other initiatives such as those related to the IoT and prepaid solar energy systems for customers also allow us to leverage digital technologies to support the growth of green economies.

### Energy and climate risks

Our business is affected by physical, financial and regulatory climate change-related risks that vary in form and severity. Risk monitoring is undertaken by energy and carbon champions in each of our operations, and mitigation and adaptation solutions are identified through this process. Monthly reports on these risks and our energy consumption and GHG emissions are consolidated and reported using the group risk management framework.

The top risks we face are:

- **Severe and variable weather events which may impact our infrastructure.** Events such as extreme variation in precipitation, water shortages, increased lightning severity and heatwaves can directly damage sensitive equipment and network sites. Such events can also disrupt our access to energy or prevent site access. Environmental events in other parts of the world may affect our suppliers, resulting in loss of production time or equipment shortages.
- **Regulatory impacts result from the introduction of climate change-related legislation.** The South African National GHG Emissions Reporting Regulations were published and promulgated in 2017, effective from 2018. This requires companies which have operational control over certain activities which exceed specific thresholds to register their facilities and to report GHG emissions from those activities annually by 31 March for the preceding calendar year. MTN South Africa submitted its first report to the Department of Environmental Affairs.
- **Physical and regulatory and other risks may result in financial costs to MTN.** The finalisation of the Carbon Tax Bill in 2018, effective in mid-2019, will impact our South African operations. The impact is currently calculated as not material. This may change as tax rates increase and incentives to power operations from renewable energy are reduced over time. Other MTN operations that report potential carbon tax regulations include Cameroon and Guinea-Conakry. Global and national energy security and pricing dynamics also pose financial risks. Some loss of revenue may occur if technical sites affected by extreme weather events are not operational for a prolonged period, and if other sites are unable to serve our customers.

## What we did

### Risk and climate change response

Our response to climate change mitigation, adaptation and resilience is twofold. First, we continually seek to mitigate the negative impacts associated with our business activities. Second, we aim to improve our adaptive capacity to climate change-related risks.

We mitigate our negative impacts by continually seeking efficiencies in our network technologies, site construction and operations, replacing inefficient and old products with more efficient equipment and solutions, and by investing in renewable energy sources for sites owned and operated by MTN (CDP Scope 1 and 2 activity). Monitoring energy consumption on an ongoing basis and analysing consumption trends in each operation also

## Energy and climate continued

helps us identify any problems that may drive sudden increases in reported consumption. To date, alternative energy and energy efficiency solutions have been implemented in more than 12 000 MTN-owned sites and in more than 6 000 leased sites. We undertook a number of impactful initiatives in 2018, some of which are described below.

In Nigeria, our high energy requirements coupled with a lack of reliable grid power drove us to seek access to alternative sources. One of our largest switches and data centres, in Ojota, requires approximately 2 520 000 kWh of electricity each month. Working with an independent power producer, we installed a 5,5 megawatt (MW) gas-powered generating system that now meets the total energy needs of this centre. This saving accounts for approximately 17% of MTN-owned site emissions in Nigeria. It also eliminates the use of about 500 000 litres of diesel per month, which accounts for approximately 20% of total MTN-owned site diesel consumption in Nigeria, on average. The cost per kWh for gas is also less than that of diesel power generation.

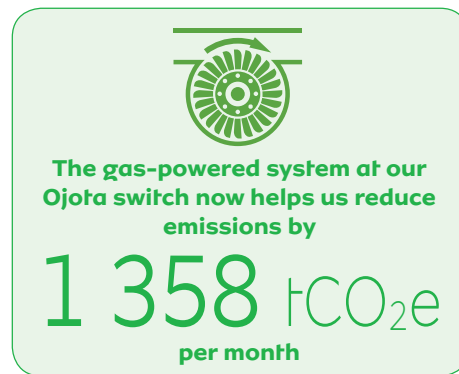
In many of the countries in which we operate, achieving universal network coverage remains a problem. Several challenges result in this situation, including the cost of building towers in remote areas and the lack of sufficient or reliable power. This prevents digital inclusivity and socio-economic development. Solutions that are independent of grid and diesel power, that have a smaller physical footprint and quick deployment times, use low-power equipment, and require less capital investment enable us to meet this challenge. For example, in Ghana, the implementation of Huawei's RuralStar solar-powered masts have helped reduce operating costs by around 40% and avoid 71 tCO<sub>2</sub>e per year. In Nigeria RuralStar is being used to connect people in rural areas, eliminating the need for them to often walk to distant areas to make calls. Successful implementations have seen greater than anticipated increases in voice and data traffic. We aim to implement this initiative at nine more sites.

### Partner engagements on energy and climate

We lease 26 768 base station sites from tower management companies in seven countries, representing 42% of our network. The most challenging aspect of reducing our Scope 3 emissions (which are the Scope 1 and 2 emissions of our partners and suppliers) is the limited influence we have on their adoption of energy efficiencies and renewable energy interventions. We constantly engage with our tower management partners to set climate

change management aspirations, and to assess the energy efficiency programmes in place and scheduled for implementation. Our tower partners place considerable importance on energy efficiency as this can help reduce their operating costs, but several barriers may limit sites in remote areas from always using alternative energy options. Approximately 5 000 of sites leased by MTN are powered by renewable energy.

We have commenced exploratory discussions with more tower management companies and equipment manufacturers and suppliers on ways of working together to enhance the efficiency of our sites and help us meet our objective of increasing the use of renewable and low-carbon energy. This engagement forms part of our new energy strategy, which we aim to finalise in 2019.



### IoT solutions for climate management

According to the Global e-Sustainability Initiative (GeSI), ICT can enable solutions to 21st century challenges. During the year under review, our key focus area was to develop a clear vision for MTN's future participation in IoT and articulate a cohesive strategy to achieve this vision. Our key priorities were to implement a proof of concept solution, develop knowledge in predictive analytics, and show customers that we are able to realise IoT use cases and to translate these to their specific contexts. We also began to look for key partners to work with across the value chain and across various markets.

We implemented small-scale projects in several countries. In South Africa, which is under constant threat of droughts, utility providers have been facing infrastructure and other challenges such as unmonitored dam and tank levels, leakages, inadequacy of supplies to meet demand and unlawful water usage. Monitoring these challenges at a large scale can significantly improve the water supply conditions in the country. MTN South Africa is currently developing a monitoring solution, which will be deployed as a proof of concept solution initially. The solution which will provide dam and tank level monitoring and reporting in real time and will provide alerts and information for analytical purposes.

In many countries in which MTN operates, animal theft and poaching are serious problems leading to increased costs of farm management, operational inefficiencies and in the case of poaching, loss of life to endangered species. MTN Nigeria continues to offer solutions for animal tracking and management. MTN South Africa is testing a proof of concept solution for livestock management encompassing geo-fencing of animals,

## Energy and climate continued

with near real-time visibility of each animal, health management and data analysis. This capability will mitigate stock losses, improve farm management and empower farmers with actionable insights for quicker responses.

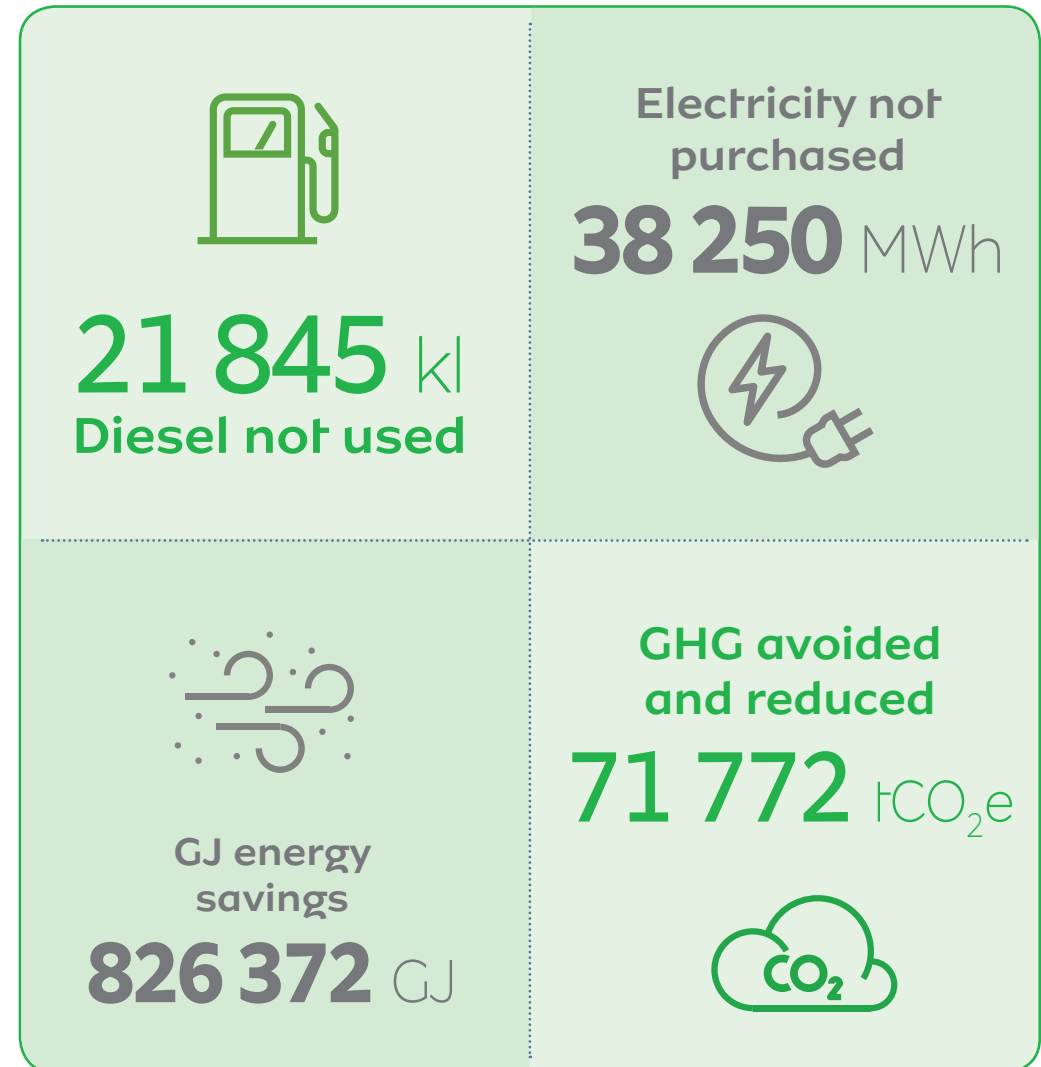
**"We are only beginning to scratch the surface of the capabilities that IoT can deliver in nature conservation, and in preserving the lives of the custodians of our wildlife heritage."** Mariana Kruger, general manager: products and solutions at MTN Business

Vehicle and fleet monitoring solutions are already offered in a number of our operations. In 2018, a vehicle asset tracking solution was launched in Iran. Advanced GPS technology provides users with control of their fleets remotely. The system tracks features such as dispatch management, driver behaviour, axle load, fuel consumption, temperature management, repair and project scheduling, ensuring that fuel is utilised efficiently and the lifespan of vehicles is maintained.

### Our impact

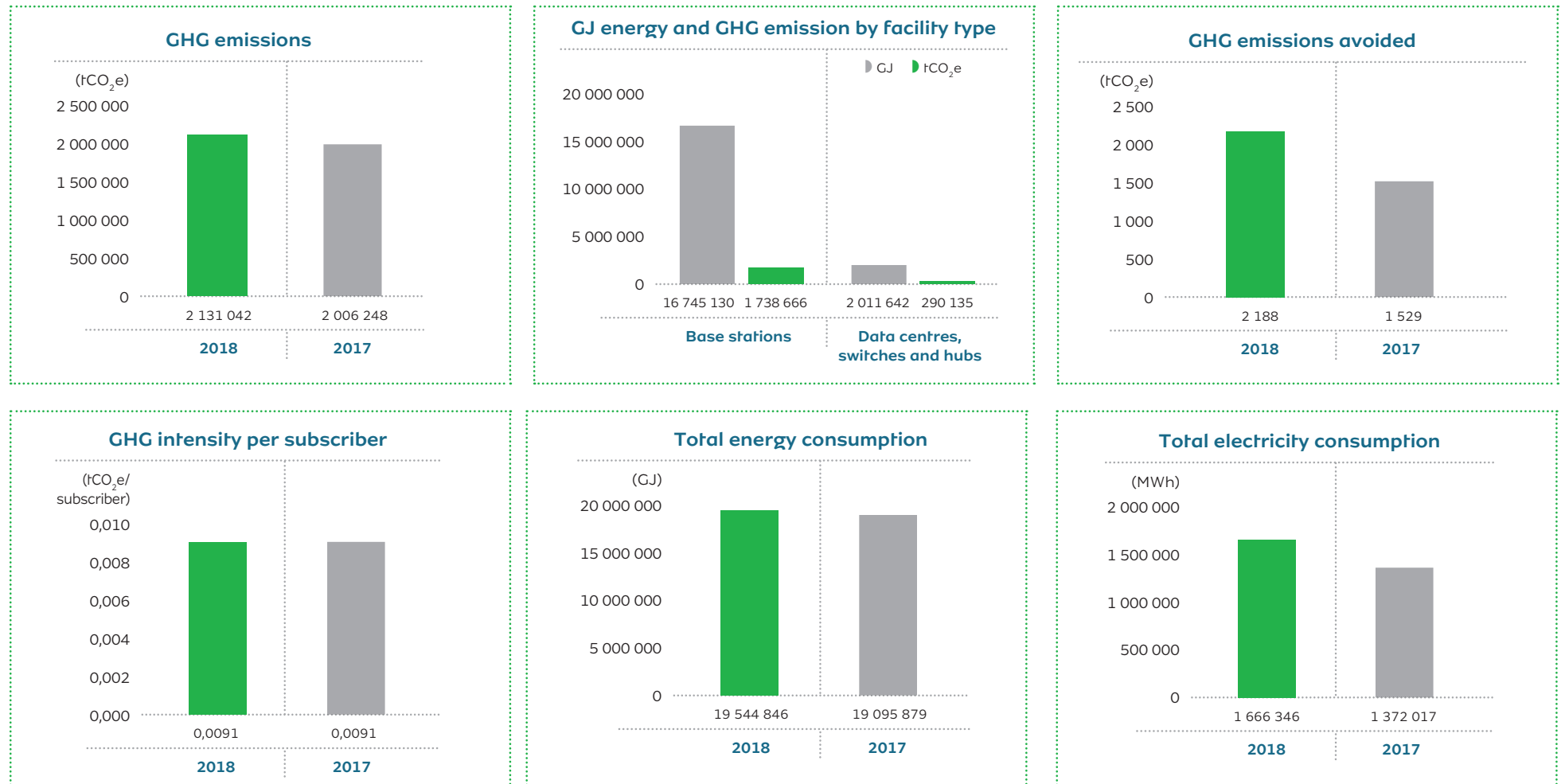
Our total GHG emissions amounted to 2 131 042 tCO<sub>2</sub>e in 2018 (up 6% from 2017). Energy consumption and emissions at head offices and regional buildings are comparatively low and not material to the group consolidated outputs, but are included in our CDP reports.

Our cumulative savings since we first consolidated measurements of our investments in energy efficiencies and alternative energy in 2011 are depicted alongside.

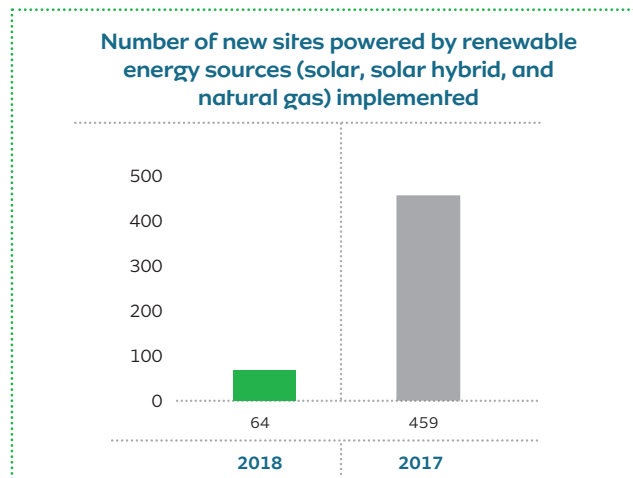
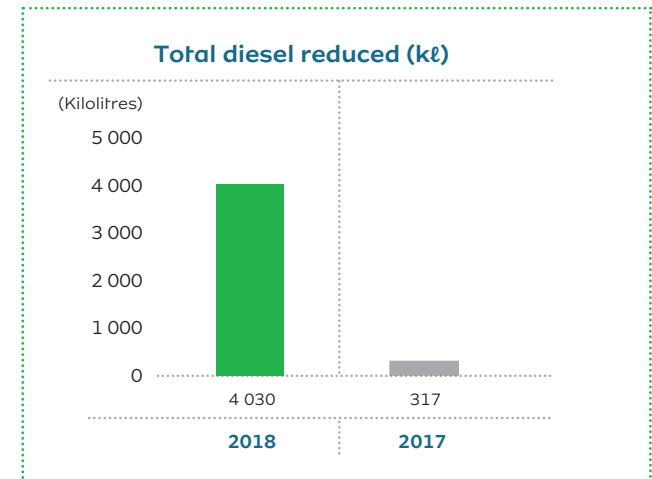
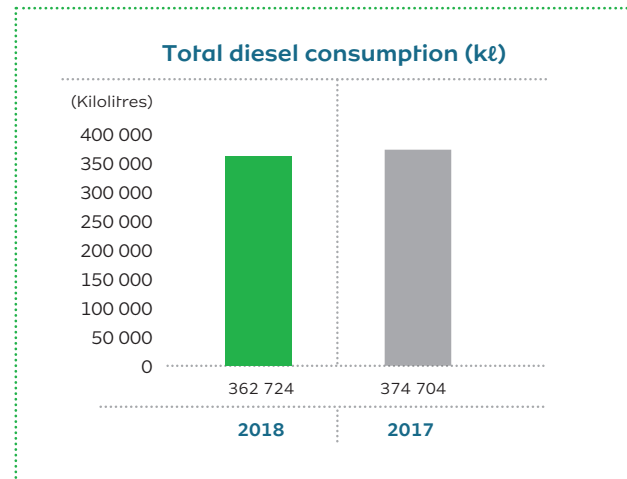
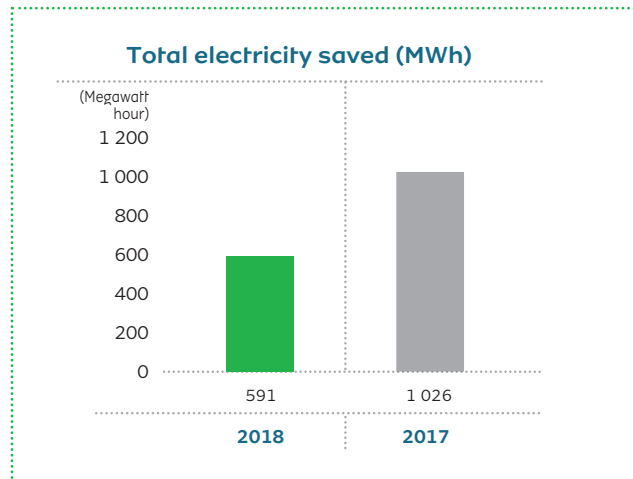


# Energy and climate continued

Information on our impact since 2014 is available in the sustainability performance section of this report.



## Energy and climate continued



The reasons for increased energy consumption in 2018 include the following:

- Annual Scope 1 emissions have decreased due to an overall decrease in diesel consumption in various countries where operations are replacing the use of diesel with grid electricity, as grid supplies become more stable. Scope 3 emissions have also increased as a result of our strategy to outsource network sites and leasing sites from tower management companies. This has resulted in a general decrease in our Scope 1 emissions, and an associated increase in Scope 3 emissions.
- Scope 2 emissions have increased by approximately 17% due to increased energy requirements in 14 countries. This increase is mainly driven by the growing number of network sites and a general increase in electricity requirements for both existing infrastructure and for ongoing investments in 4G sites, which are more power intensive.

Although the number of new renewable energy sites implemented in 2018 was less than the number of sites implemented in 2017, GHG savings/avoidance of 2 188 tCO<sub>2</sub>e was realised, compared to 1 529 tCO<sub>2</sub>e in 2017. Savings/avoidance depends on the type of site at which alternative energy is used (eg larger savings are realised from initiatives at switches or hubs compared to base stations).

# Environmental resources

## Our strategy

**We apply the precautionary principle towards managing our environmental impacts. Environmental management policies in our various countries of operation ensure that we remain compliant with national laws and regulations. We also expect our suppliers to support our environmental objectives, by conducting their business in a responsible manner. Our environmental positions and expectations of suppliers are available on our website [🌐](#).**

To ensure electromagnetic frequency (EMF) safety of our cellular masts and of the handsets we distribute, we monitor the latest international research and scientific publications on EMF. We require that our base station operations do not exceed the EMF exposure guidelines set out by the International Commission on Non-ionizing Radiation Protection (ICNIRP). We only distribute mobile handsets approved for electrical and electromagnetic safety by the national communications authority of each country in which we operate. Authorities require these products to be compliant with Electrical Safety Testing Standard EN50191 and the European Standard for Safety of Battery Chargers ENE03352-29 standard, international specifications and country-specific regulations. MTN branded devices also undergo safety tests such as Electromagnetic Compatibility and Specific Absorption Rate (SAR) test which are based on the European Telecommunication Standards Institutes (ETSI).

## What we did

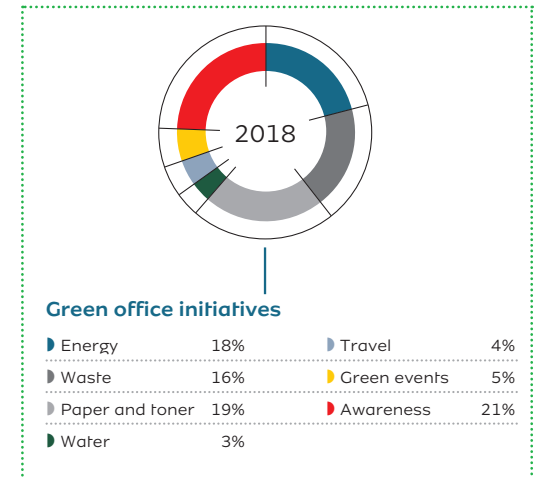
### Greening office operations

Addressing the impacts from our use of water and of manufactured resources is managed through implementation of the group green office toolkit, focused on internal initiatives to conserve resources, reduce consumption, and ensure responsible recycling and waste management practices.

We continued to implement activities to conserve use of energy and water in office operations, reduce the use of paper and toner, and manage the flow of waste outputs. Based on local requirements, country operational challenges, constraints and resource availabilities, our operations set their own environmental resource management plans,

targets and initiatives to undertake the most impactful projects (shown in the graph alongside).

In Guinea-Bissau, Cameroon and Ivory Coast, the construction of office buildings using solutions that improve the environmental performance has enabled us to reduce our impact and improve resilience upfront. We continued to focus on ways to reduce consumption of paper and toners, with savings identified in Afghanistan, Cameroon, Cyprus, Ghana, Guinea-Bissau, Iran, Kenya and Nigeria. Improvements in waste management practices by installing separation bins to facilitate recycling was implemented in Afghanistan, Ghana and Swaziland. We continue to make use of creative ways to increase awareness among staff on ways to reduce their consumption of energy, paper, water, etc and increased the number of campaigns in 2018.



Managing electronic and electrical waste (e-waste) in emerging markets is a challenge, as the ecosystem of handlers and recyclers, along with regulatory participation, is largely immature. Where possible, we ensure that e-waste is diverted to responsible handlers who either extract valuable components or dispose of it in accordance with standards such as ISO 14001, ISO 18001 or SERI R2. In 2018 we handed over 272 tonnes of e-waste for extraction, recycling or safe disposal. MTN South Africa worked with a specialist organisation to assess the possibility of rejuvenating old lead acid batteries for reuse on the network, but test outcomes indicated this was not feasible. Our operations in Guinea-Bissau, Ivory Coast and Rwanda began an investigation into the feasibility of recycling e-waste within the country. Digitising airtime sales through customer self service and retail channels helped us reduce waste from physical card sales by 10%.

Extended producer responsibility (EPR) is a strategy designed to hold producers liable for the costs of managing their products at end of life. In Nigeria, EPR is based on Nigeria's National Environmental Standards and Regulations Enforcement Agency (NESREA) Electrical/Electronic Sector Regulation. In 2018, MTN Nigeria participated in a Lagos State Environmental Protection Agency (LASEPA) discussion on e-waste recycling. MTN Nigeria also provided financial support to LASEPA on e-waste policy implementation and plays an active role in industry advocacy.

## Environmental resources continued

In Kenya our biodigester produces energy for catering training classes. MTN Ghana's Y'ello goes green campaign saw staff clearing over 100 000 plastic bottles from the James Town Beach, for manufacturing into building and pavement blocks.

### Supplier environmental impacts

Our supplier code of conduct, available on our website, specifies that we expect our suppliers to conduct their business activities in an environmentally responsible manner. This includes requiring that they review the state of their workplace environments, ensuring environmental authorisations and compliance with regulations, submitting copies of permits and reports to MTN upon request, reducing resource consumption, preventing pollution and minimising waste outputs, and ensuring responsible management of hazardous materials.

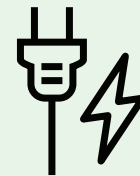
To address the environmental impact of batteries used on our sites, we have now included additional requirements in our requests for proposals from new vendors. This includes the requirement that they tightly control the levels of mercury, cadmium and lead in their products, assist with recycling through clear labelling, and ensure that on disposal, batteries are properly treated and recycled, rather than being sent for incineration or to landfill.

### EMF management

In some of the countries in which we operate, EMF regulations are specified to ensure compliance with the ICNIRP standard. In others, regulations may require compliance with additional requirements. Given these regulatory variances, we wish to voluntarily comply with the highest standard applicable in all our markets. We therefore commenced a review of our EMF management guidelines and application in all our operating countries. Our objective is to update internal guidelines with new, emerging and future network technologies and to ensure standardisation of compliance requirements across all operations.

## Our impact

477 723 kWh



of electricity saved in offices and non-technical operations

225 kilograms (kg)



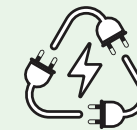
of paper usage has been avoided along with associated reductions in use of print cartridges

86 kilolitres



of potable water usage has been reduced

271,76



tonnes e-waste sent for recycling

## Looking forward

- **Development of a group energy management strategy.** Efficient energy use and increased use of renewable energy will reduce operating costs and our carbon footprint. This objective will be driven through the development of a group energy management strategy in 2019.
- **Increase number of energy partner engagements.** We aim to actively partner with companies that have technical solutions that can help us extract further energy efficiencies, or that offer innovative solutions to harnessing renewable energy for network sites.
- **Update group EMF guidelines:** The group EMF guideline review and compliance process will be completed in 2019. The outcomes will be used to inform the development of an EMF compliance policy.





Our  
workplace

# Our workplace

**Our people are at the heart of MTN's BRIGHT strategy, ensuring we maintain our innovative position.**

**Supporting the UN SDGs and UN Global Compact**

We are making progress in supporting the UN SDGs and achieving the principles of the UN Global Compact.

	UN SDG indicators	UN Global Compact Principles	MTN's contributions
	<b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making	<ul style="list-style-type: none"> <li><b>6:</b> Elimination of discrimination in respect of employment and occupation</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">The inclusive workplace</a></li> </ul>
	<b>8.7</b> Effective measures to eradicate forced labour, modern slavery and worst forms of child labour	<ul style="list-style-type: none"> <li><b>3:</b> Upholding freedom of expression and recognition of right to collective bargaining</li> <li><b>4:</b> Elimination of all forms of forced and compulsory labour</li> <li><b>5:</b> Abolition of child labour</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Our strategy</a></li> </ul>
	<b>8.8</b> Protect labour rights and promote safe and secure working environments	<ul style="list-style-type: none"> <li>Not directly defined</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Health and wellness</a></li> </ul>

## What we said we would do in 2018

Activity	Progress	Results
Address gender representation at various organisational levels		A gender diversity and inclusion committee comprising executive management was set up. Read more in <a href="#">The inclusive workplace</a>
Promote employee wellbeing by creating practices that support this		We defined a holistic wellness approach for our employees. Read more in <a href="#">Health and wellness</a>

**Legend**

Completed 
 In progress: on schedule 
 In progress: behind schedule 
 Not achieved

## Our workplace continued

### Our strategy

**MTN operates in 23 countries across Africa and the Middle East. We are a young, diverse company of 18 835 people, of whom 43% are millennials.**

The telecommunications sector is one of the most dynamic and disruptive globally, and the ability of businesses to adapt is crucial to sustainability. Agile organisations that respond rapidly to transformative changes are the only ones that will sustain growth and ensure socio-economic development through employment. MTN has adopted an agile manifesto for our organisation, focusing on new ways of work, behaviours, employee-centric solutions and systems that ensure our resilience while offering new opportunities to our people.

Ensuring that we operate an inclusive workplace reflects our support for global ethical imperatives. To ensure the solutions we offer meet the needs of our diverse customer base, obtaining the perspectives of different age, gender and cultural groups is key.

#### MTN's inclusive workplace standards and expectations:

- **MTN is a signatory to the UN Global Compact, which includes the promotion of equality and prevention of unfair discrimination.**
- **In 2018, we committed to the articles of the Convention on the Elimination of all forms of Discrimination against Women.**
- **The employee conduct pledge, a part of each employee's contract of employment, requires employees to respect colleagues, suppliers and those we serve, regardless of gender, race, religion, culture, mental and physical abilities, and to treat them with dignity, respect and compassion.**

Our people are at the heart of our BRIGHT strategy, ensuring that we maintain our innovative position and improve our external stakeholder relationships. MTN's hearts and minds pillar of the BRIGHT strategy is supported by the four distinct focus areas shown below.



To ensure that we understand the experiences people have while working for MTN, we assess the sustainability of our employees' engagement annually by conducting a group culture audit (GCA) survey. The survey measures 13 dimensions. These include sustainability of employee engagement, understanding of MTN's BRIGHT strategy, communications, MTN's image and competitive position, corporate integrity, direct supervisor assessments, employee development, leadership, pay and benefits, retention, work organisation and efficiency, and whether employees are net promoters of MTN's products.

Please also review the group's remuneration report on page 66 of the integrated report [IR](#).

### What we did

#### Implementing focus areas of hearts and minds pillar of BRIGHT strategy

In order to realise the objectives we set for enhancing the hearts and minds pillar of the BRIGHT strategy, we focused on developing a culture of high performance, enabling high potential through talent development and designing solutions centred around the needs of employees.

## Our workplace continued

Our employee-centric solutions included digitisation in the workplace (eg digital onboarding and access to chatbot services), access to information and processes to enable people to work productively (eg ensuring appropriate spans of control) and rewarding employees in a fair manner that is relevant to issues that they value (eg granting additional leave days).

Assessing the culture within MTN is crucial for us to understand the sentiment around human resource management and to highlight areas where MTN can improve employees' work lives. In 2018, the group recorded a 96% participation rate in the GCA. This high participation rate confirms that our employees value the opportunity to define their experiences of working at MTN and serves as an acknowledgement that their voices matter. The results show that MTN is closing the gap with the global performing norm for sustainable engagement in telecommunications organisations, which is currently at 81%.

One of the measures of GCA is that of work organisation and efficiency, which assesses whether our employees have a clear understanding of their job responsibilities and whether the operating environment enables them to work effectively. A 3% increase in employee assessments of MTN's efforts indicates that our employees believe we are increasingly structured towards enabling a high-performance culture.

We implemented an innovative internal communications strategy, using a combination of digital and face-to-face engagements to facilitate easier connections between executives and employees. The GCA assessed if our BRIGHT strategy was understood and experienced in the day-to-day activities of staff. Over 75% of employees responded positively, illustrating the value of the time spent by our management in explaining and embedding the strategy across MTN. Employee assessments of engagements with leadership increased by 3% (2017: 61%) indicating our efforts to improve internal communications had a positive impact.

### Future-proofing our workplace

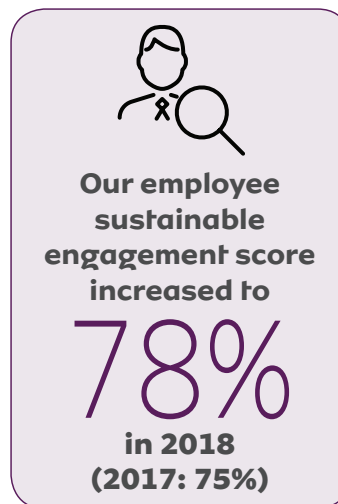
We are actively building a pool of talented employees to meet the needs of MTN and our stakeholders more effectively. Our high-potential talent factory is focused on succession planning and development of existing employees, building a pipeline for future skills and filling the gap of current skills requirements. We are building a healthy pool of successors to support executive roles by implementing readiness succession plans. We also drove awareness of the need for employees to have quality career conversations with their managers.

As a digital organisation with a youthful employee base, we are keen to continue learning from young and talented people who are our future leadership, and who will serve our youthful markets effectively. We recruited 33 graduates into our global graduate development programme, which is run across all the countries in which we operate. In South Africa, we supported the president's call to address youth unemployment by recruiting 100 YES4Youth graduates at the group head office, and we are in the process of recruiting an additional 1 000 young graduates in our local operations.

We identified the critical skills required to successfully meet the current and anticipated needs of our customers. These include skills related to serving consumers, enterprise and wholesale customers, and developing mobile financial services and e-commerce solutions. We began work on a detailed strategic workforce plan to address the skills requirements in these areas.

MTN is embracing the promise of AI and advanced automation solutions that will empower our employees in dealing with complex scenarios to better serve our customers and communities. Through our three-year rolling strategic workforce plan, we aim to improve the learning agility of our people and to develop staff in areas of higher cognitive, social and emotional skillsets, including skills such as creativity, taking initiative, empathy, adaptability and complex information interpretation, that will complement AI and machine-learning capabilities. We have also focused on attracting and retaining people and developing advanced technological skillsets to oversee and manage complex systems to ensure proper use, maintain the required security considerations and comply with regulatory requirements.

Mastering the new skills required has, and will continue, to disrupt how our employees work. They need to be able to deliver solutions quickly, while taking into account ethical, regulatory and other possible consequences of commercial business decisions. Employees need to undertake continuous and non-traditional forms of learning. In 2018, our employees invested 338 831 hours on enhancing their skills by leveraging learning and development opportunities. Training was delivered through a combination of methods including web-based interfaces, classroom-based education, and on-the-job training. Several new learning academies, focused on future technologies and their applications for MTN, were also launched. These included training on customer value management, data analytics and digital solutions.



## Our workplace continued

**We established a data science academy to upskill existing staff and train new employees in leading advanced data analytics techniques and disciplines. A customised and vocational course incorporates real MTN business objectives into the training agenda.**

At MTN, we foresee several new innovations and business opportunities that AI and machine learning will bring, creating a host of new employment opportunities. We support the increasing trend in our business for new types of teams to self-form and work together on challenges and opportunities that may interest people beyond their traditional scopes of work. Such activities also highlight new career paths for employees. We believe that our agile organisation initiatives will ensure that our people are at the forefront of this bold, new digital world.

### The inclusive workplace

MTN operates across 23 countries with varying contexts and labour laws. Improving equality in a standard manner that is applicable locally in each of the countries in which we operate is a challenge that we have embraced. Gender diversity was one of our priorities in 2018, and we plan to improve this on an ongoing basis.

A gender diversity and inclusion committee, comprising several group and country executives, was set up. The committee aims to ensure that MTN is a more inclusive place to work, by advancing the representation of women, minorities and people with disabilities in the workplace.

At the group head office, a target of 40% of females to be recruited into existing vacancies was set. This target was tied to executive employment equity and diversity bonuses. In addition to vacancies being filled by females at managerial and other levels, three female executives at the group were recruited into the existing or new roles. One female was appointed as the CEO of a country operation, and female candidates will now be more actively considered for other country CEO roles as these opportunities arise. In 2018, 48% of the graduates across our operations were female. We aim to increase this to 60% in 2019.

In country operations, a number of initiatives to improve female representation in the workplace were implemented. Initiatives varied by country, and were

based on feedback from female employees, taking into account local operating requirements. Initiatives included the commencement of a three-year women in technology programme, appointing opinion leaders to work with human resource and management functions, a focus on improving leadership by women in areas in which they have traditionally been under-represented and implementing female networking programmes.

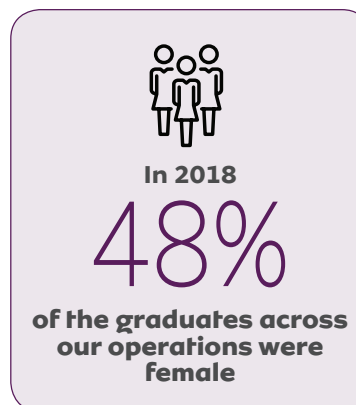
### Health and wellness

Our holistic employee wellness approach focuses on physical, emotional and spiritual health, financial wellness, and ensuring that our working environment and community engagements create positive impacts for our employees. Our objectives for the year were to increase staff interest and participation in wellness initiatives conducted across the group and to establish a strategy for managing wellness.

Across our operations, we continued to enable activities and offer services to support the wellbeing of our employees. Communication on health and wellness was conducted regularly, and included daily news, awareness of national and international wellness days, sporting events, leveraging social media hashtags with key themes on an ongoing basis (eg #FitnessFriday) and sharing advice and specialised content from our medical aid service providers. We conducted on-site exercise classes and free annual health check-ups, ran vaccination campaigns, offered first aid training, stress reduction and weight loss programmes, supplied ergonomic furniture and equipment and ensured healthier food options in canteens. We focused on education and support for lifestyle, communicable and dreaded diseases, and workplace safety. In some countries we increased the types of employee assistance services offered, eg offering financial wellness training, opening on-site clinics and increasing access to physiotherapy services and crèche facilities for working parents.

We are gradually moving on from point-in-time or single interventions towards ensuring our employees obtain a more holistic wellness experience, using our internal communications platforms to personalise and reinforce wellness messages.

Operational health and safety is a fundamental aspect of our wellness approach. In 2018, we experienced one fatality due to a car accident and 14 workplace injuries necessitating recovery of more than half a working day by each employee. Injuries were caused as a result of employees falling or slipping, being involved in road traffic accidents during working hours, one case of electrocution during maintenance, and one instance of an employee being harmed during a robbery while stocks were being replenished.



## Our workplace continued

### Our impact

We believe that our efforts to improve the workplace for our employees contributed to our award of the highest ranking in the category for Telcos to Work for in Africa, in the Employer of Choice survey in 2018. The survey, conducted by Careers in Africa and WillisTowersWatson, recognises those employers who have caught the attention of the African talent pool and that have a unique employee experience.

Trends for the past five years on some of the indicators below may be reviewed in the quantitative sustainability statement of this report.

- Amount spent on employee learning and development: R270 million (2017: R252 million).
- Average training hours per employee: 17,92 (2017: 22,4).
- Percentage females: 37% (2017: 36,83%).
- Percentage females in management positions: 27,4%.
- Percentage females in succession pool: 16%.
- Percentage of females hired: 22,3%.
- Voluntary participation in employee recognition initiatives through MTN Shine programme: 57% (2017: 49%).
- Deaths: 1 (2017: 1).
- Workplace-related injuries: 14 (2017: 34).

### Looking forward

We will continue to drive our hearts and minds strategy, working towards organisational agility, enhancing the employee experience, building a high-performance culture and embracing digital employee-centric solutions. Other priorities include a focus on workplace diversity and finalising our wellness strategy.



### MTN Nigeria: The WAY

To promote gender equality, the MTN Nigeria **y'ello** Women Network initiative, now called The WAY (Women At **y'ello**), was established in 2018. This networking programme is aimed at developing well-rounded women leaders and employees, to improve satisfaction levels among female employees and strengthen MTN's gender diversity mix. The WAY also serves as a recruitment and retention tool. Indicators to assess the effectiveness of the programme include an improvement in satisfaction level among female employees (to be assessed through annual surveys), a 60:40 male to female employee ratio by 2020, while striving towards a 50:50 gender ratio in future and a 70:30 male to female employee ratio at senior management levels by 2020. A cross-functional team was established and executive sponsors nominated for programme implementation across all regions.





**Annual  
sustainability  
statements**




## Sustainability performance in numbers

The group's business performance and plans are set out in the MTN Group Limited integrated report for the year ended 31 December 2018. 

The table set out below indicates MTN's non-financial governance, environmental and social business performance in terms of South African and global protocols described in the sustainability reporting standards and guidelines at the beginning of this report.

We set out our performance in terms of material indicators that provide a clear, comprehensive and useful measure of our progress quantitatively. This statement complements and extends the MTN Group statement on how we create and sustain value, as reported in the MTN Group Limited integrated report for 2018.  indicates aspects that have been assured. The group's limited assurance statement is available on our website .

Indicator	Notes	Unit	2018	2017	2016	2015	2014
<b>The workplace</b>							
Total employees		Number	18 835	18 931	19 989	21 804	22 204
Employee turnover		%	4,53	7,9	7,2	7,8	8,3
Employees retrenched		Number	151	337	330	335	752
<b>Females</b>							
• Females		%	37	37	37	37	37
• Females at group board level		Number	4	3	3	3	3
• Females: management all levels		%	27,4	Not previously reported	Not previously reported	Not previously reported	Not previously reported
• Females in succession pool		%	16	Not previously reported	Not previously reported	Not previously reported	Not previously reported
Employees unionised (South Africa)	1.	%	22	22	22	16	Not previously reported
<b>Learning and development</b>							
• Spend		R million	270	252	392	224	254
• Hours per employee		Hours	18	22	32	12,9	17,4
Employee culture survey results		%	 78	75	67	66	65
Employees receiving performance review		%	96	95	95	100	100



## Sustainability performance in numbers continued

Indicator	Notes	Unit	2018	2017	2016	2015	2014
<b>The workplace</b> <small>continued</small>							
<b>Wellness and safety</b>							
• Deaths		Number	1	1	3	–	–
• Workplace-related serious injuries		Number	14	34	22	17	12
<b>Ethics</b>							
Calls to tip-offs anonymous whistleblower line		<sup>LA</sup> Number	94	119	120	128	260
Additional certified ethics officers		Number	11	27	Not previously reported	Not previously reported	Not previously reported
<b>Disciplinary sanctions enforced</b>							
• Not guilty		Number	9	4	Not available	Not available	Not available
• Counselling			4	8	Not available	Not available	Not available
• Verbal warning			35	76	Not available	Not available	Not available
• Written warning			61	87	Not available	Not available	Not available
• Final written warning			16	131	Not available	Not available	Not available
• Suspension			10	52	Not available	Not available	Not available
• Dismissal			20	42	Not available	Not available	Not available
• Pending			2	–	Not available	Not available	Not available
Supplier endorsement of supplier code of conduct		Number	1 197	175	Not available	Not available	Not available
<b>Environment</b>							
<b>GHG emissions total</b>		Tonnes carbon dioxide and equivalent (tCO <sub>2</sub> e)	<b>2 131 042</b>	2 006 248	1 609 174	1 589 888	1 531 527
• Scope 1: direct emissions			<b>270 721</b>	324 101	315 603	645 428	793 098
• Scope 2: indirect emissions			<b>973 465</b>	806 339	755 109	651 233	595 177
• Scope 3: indirect emissions			<b>886 857</b>	875 808	538 462	293 227	143 252
GHG intensity per subscriber		tCO <sub>2</sub> e	<b>0,0091</b>	0,0091	0,0071	0,0072	0,0069

## Sustainability performance in numbers continued

Indicator	Notes	Unit	2018	2017	2016	2015	2014
<b>Environment</b> <small>continued</small>							
Energy savings: diesel		kl	4 030	313	3 705	2 870	2 846
<b>Alternative energy sites</b>		Number					
• Cumulative to year under review			3 578	3 147	2 688	1 687	555
• Current year under review			64	459	1 001	1 132	Included above
<b>GHG avoided</b>		tCO <sub>2</sub> e					
• Cumulative to 2015			Not applicable	Not applicable	Not applicable	Not applicable	29 034
• Current year under review			2 188	1 529	833	7 947	Not applicable
<b>Green office</b>							
• E-waste		Tonnes	272	216	537	535	236
• Paper use avoided		kg	225	1 617 685	15 646	15 271	Not available
• Electricity savings: non-technical operations		kWh	477 723	807 181	518 023	Not available	Not available
• Potable water savings		kl	86	144 000	Not available	Not available	Not available
• General waste reduced		kg	18	141 728	Not available	Not available	Not available
• Plastic, metal, drinks cartons avoided		kg	No reported savings	1 540	1 808	629	Not available
<b>Corporate social investment (CSI) and empowerment</b>							
CSI (MTN foundations and CSI divisions)		R million	185	172	294	335	283
Employee volunteers		Number	9 181	11 027	10 459	8 209	11 562
<b>Black economic empowerment (BEE) in South Africa 2017 onwards</b>		Score out of 130	106,36	102,65	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below
• Ownership (20 base points; 3 bonus points)		Score out of 25	25	25	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below
• Management and control (10 base points; 1 bonus point)		Score out of 23	15,39	13,71	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below
• Skills development		Score out of 20	11,73	11,87	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below
• Enterprise and supplier development		Score out of 50	42,25	40,07	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below
• Socio-economic development		Score out of 12	12	12	See "up to 2016" below	See "up to 2016" below	See "up to 2016" below

## Sustainability performance in numbers continued


Indicator	Notes	Unit	2018	2017	2016	2015	2014
<b>Corporate social investment (CSI) and empowerment</b> continued							
<b>Black economic empowerment (BEE) South Africa up to 2016</b>		Score out of 100	See "2017 onwards above"	See "2017 onwards above"	87,83	76,6	85,72
• Ownership (20 base points; 3 bonus points)		Score out of 23	See "2017 onwards above"	See "2017 onwards above"	21,28	20,7	21,34
• Management and control (10 base points; 1 bonus point)		Score out of 10	See "2017 onwards above"	See "2017 onwards above"	10,67	9,57	10,37
• Employee equity		Score out of 10	See "2017 onwards above"	See "2017 onwards above"	6,28	2,47	5,45
• Skills development		Score out of 17	See "2017 onwards above"	See "2017 onwards above"	5,8	3,24	8,39
• Preferential procurement (20 base points; 6 bonus points)		Score out of 20	See "2017 onwards above"	See "2017 onwards above"	20,28	20,91	19,66
• Enterprise development		Score out of 11	See "2017 onwards above"	See "2017 onwards above"	11	7,71	8,51
• Socio-economic development		Score out of 12	See "2017 onwards above"	See "2017 onwards above"	12	12	12

### Notes

1. In 2017 we reported that 933 employees in MTN South Africa were unionised. This represented 22% of employees.

# Global Reporting Initiatives Standards

This report has been prepared in accordance with the GRI Standards: Core option.

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 101: Foundation</b>			
1.1	Stakeholder inclusiveness	<ul style="list-style-type: none"> <li>IR: Relationships on which we rely</li> <li>SR: Stakeholders</li> </ul>	p. 28 p. 5
1.2	Sustainability context	<ul style="list-style-type: none"> <li>IR: How our strategy is sustaining value</li> <li>SR: Our sustainability approach</li> </ul>	p. 14 p. 3
1.3	Materiality	<ul style="list-style-type: none"> <li>IR: About this report</li> <li>SR: Our sustainability approach</li> </ul>	p. 1 p. 6
1.4	Completeness	<ul style="list-style-type: none"> <li>IR: About this report – scope and boundaries</li> <li>SR: About this report – scope and boundaries</li> </ul>	p. 1 p. 2
1.5	Accuracy	<ul style="list-style-type: none"> <li>IR: </li> <li>SR: Sustainability performance in numbers (selected indicators are verified by external third-party organisations)</li> </ul>	p. 54
1.6	Balance	<ul style="list-style-type: none"> <li>This aspect is addressed in the integrated report in the following sections: our market context and material matters; what we are doing to address the opportunities; top risks to value creation; leadership and performance (chairman, Group president and CEO and CFO statements) and key financial tables.</li> <li>This aspect is also addressed in the sustainability report in the following sections: transforming economies and societies what we said we would do; what we did; ethics and human rights what we said we would do, operating context; what we did; environmental responsibility what we said we would do; energy and climate risks; what we did; our workplace what we said we would do; what we did.</li> </ul>	p. 6; 8; 33; 39; 42; 44; 46 p. 15; 16; 20; 24; 29; 30; 34; 39; 40; 45; 48; 49
1.7	Clarity	IR and SR: Stakeholders can find the information they require in both reports by accessing hyperlinked icons or report keys, cross-referenced tables and tables of content. Both reports avoid technical terms and where required, abbreviations, acronyms and jargon are first explained before being used in relevant sections	
1.8	Comparability	The group's current and previous years' qualitative and quantitative reports are available on <a href="http://www.mtn.com">www.mtn.com</a> , allowing stakeholders to download and review reports for comparability, benchmarking against other organisations' reports and to conduct trend analysis. Consistency in the methods used to calculate data is applied through reference to International Financial Reporting Standards (IFRS) and SAICA Financial Reporting Guides, and CDP guidelines, and emission methodologies including the IPCC Guidelines for National Greenhouse Gas Inventories, 2006 and The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), among other protocols. Within the current year's integrated and sustainability reports, any data restatements are indicated as notes to quantitative statements.	
1.9	Reliability	<ul style="list-style-type: none"> <li>IR and SR: Certain quantitative aspects presented in both reports have been subject to a limited assurance review as indicated in GRI 1.5 above</li> <li>SR: About this report – data collection</li> </ul>	p. 1
1.10	Timeliness	<ul style="list-style-type: none"> <li>IR and SR: The group's annual reports, and interim and quarterly reports (financial) are published on the group's website on a regular, scheduled basis</li> <li>SR: the group's detailed CDP report is submitted to CDP each year within the timeframes set by CDP</li> </ul>	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b>			
102-1	Name of the organisation	MTN Group Limited	
102-2	Activities, brands, products, and services	<a href="https://www.mtn.com/what-we-do/">https://www.mtn.com/what-we-do/</a>	
102-3	Location of headquarters	MTN Group Limited is located at 216 14th Avenue, Fairland, 2195, South Africa	
102-4	Location of operations	MTN operates in 23 countries in Africa and the Middle East. <a href="https://www.mtn.com/contact/#contact-countries">https://www.mtn.com/contact/#contact-countries</a>	
102-5	Ownership and legal form	IR: How we manage our business. MTN Group Limited is publicly owned entity whose shares are listed on the Johannesburg Stock Exchange	p. 5
102-6	Markets served	MTN operates in 23 countries in Africa and the Middle East. <a href="https://www.mtn.com/contact/#contact-countries">https://www.mtn.com/contact/#contact-countries</a>	
102-7	Scale of the organisation	<ul style="list-style-type: none"> <li>IR: Total number of employees: how our strategy is sustaining value; total number of operations: who we are; key financial tables net revenue and total capitalisation broken down in terms of debt and equity; quantity of products or services provided (as MTN Group does not provide tertiary services, one customer can purchase multiple products and services, and this indicator is therefore described by the number of customers, rather than the number of products and services provided in the section on where we operate)</li> </ul>	p. 3; 15; 46; 4
102-8	Information on employees and other workers	<ul style="list-style-type: none"> <li>IR: This information is included in various sections of the report including in the hearts and minds section on how our strategy is creating value, relationships we rely on which we rely to create value and remuneration report</li> <li>SR: Our workplace</li> </ul>	p. 13; 15; 23; 28; 59; 66 p. 48
102-9	Supply chain	<p>MTN's suppliers are broadly categorised into three main areas: commercial and indirect (eg logistics, business consulting, device suppliers, etc), information technology (eg infrastructure and systems), and networks (eg core and transmission solutions, etc). We have approximately 160 group suppliers, with agreements to cover requirements for multiple locations across MTN's footprint. Our local operations also contract local suppliers who offer products and services usually required for specific markets. In total, we have approximately 13 000 suppliers. MTN's suppliers are located globally. Key network suppliers are located in Europe and China, while our local supplier base is spread across Africa and the Middle East</p> <p>Sector-specific characteristics include the fact that automation remains low and the use of labour therefore remains key to the operations of the supply chain, and that the telecommunications supply chain is subject to stringent custom regulations on imported items. Given the nature of network items required, we often procure products specifically for our requirements, and therefore these are not classified as off-the-shelf.</p>	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b> <small>continued</small>			
102-10	Significant changes to the organisation and its supply chain	<p>From a supply chain perspective, we have strongly focused on the usage of aged inventory. Planning frameworks were developed to enable improved collaboration between supply chain and business functions, allowing use of existing in-country inventory as a priority. We restructured our procurement teams to better serve our internal customers, separating the technology team into IT and network category management functions. This provides more focused expertise from a category management perspective. We made significant progress in the areas of digitalisation, with an increased emphasis on delivering data through dashboards, using supply chain control towers to deliver data immediately.</p> <p>From an organisation perspective, the group disposed of its operations in Cyprus in September 2018.</p>	
102-11	Precautionary principle or approach	<ul style="list-style-type: none"> <li>• SR: Environmental resources</li> <li>• There has been a strong focus to reduce shipping costs and to improve on the environmental impacts on imported products. This driven by collaborating with major suppliers on planning initiatives which enable operations to shift from the use of air-based shipments to sea for large shipments. We have also started several initiatives through collaboration with strategic suppliers, mainly focused on innovation and joint go-to-market activities to develop products and services.</li> </ul>	p. 45
102-12	External initiatives	<ul style="list-style-type: none"> <li>• IR: About this report: non-financial information</li> <li>• SR: About this report: reporting standards and guidelines</li> <li>• MTN Group is a member of the Chartered Institute of Procurement and Supply (CIPS)</li> </ul>	p. 1 p. 1
102-13	Membership of associations	The group is also a member of GSMA and the National Business Institute (NBI), and supports the work of the International Telecommunications Union	
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> <li>• IR: The view of the chairman</li> <li>• SR: Group president and CEO on sustainability</li> </ul>	p. 40 p 9
102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> <li>• IR: Our market context and material matters; what we are doing to address the opportunities; top risks to value creation</li> <li>• SR: Key impacts, risks and opportunities are summarised in the strategy and context sections on how MTN is transforming economies and societies, ensuring ethics and supporting human rights, ensuring environmental responsibility and sustaining a productive workplace</li> </ul>	p. 6; 8; 33 p. 16; 30; 40; 49
102-16	Organisation's values, principles, standards, norms of behaviour and codes of conduct/ethics	<ul style="list-style-type: none"> <li>• <a href="https://www.mtn.com/who-we-are/about-us/values/">https://www.mtn.com/who-we-are/about-us/values/</a></li> <li>• <a href="https://www.mtn.com/who-we-are/ethics/ethics-positions/">https://www.mtn.com/who-we-are/ethics/ethics-positions/</a></li> </ul>	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b> <small>continued</small>			
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> <li>SR: Ethics The group's whistleblower line (called tip-offs anonymous) is available to employees, suppliers and any external party wishing to report concerns safely and anonymously. Contact details for this service are located on the company's websites, and internally, is communicated via a number of mechanisms including desktop screensavers, dedicated regular campaigns, newsletters, etc</li> <li>All ethics-related policies indicate the appropriate route to follow with regard to the reporting of ethics policy breaches by employees ie line manager/head of function/group chief officer or the whistleblowing line (<a href="mailto:anonymous@tip-offs.net">anonymous@tip-offs.net</a>)</li> <li>A dedicated mailbox (<a href="mailto:MTNGroupEthics@mtn.com">MTNGroupEthics@mtn.com</a>) is available for all staff to raise issues of concern or ask advice privately and where engagement is managed confidentially. Issues raised are investigated and outcomes are reported</li> <li>Internal awareness and training initiatives are conducted in all operations</li> </ul>	p. 30; 55
102-18	Governance structure	IR: Governance (including committees)	p. 52
102-19	Delegating authority	SR: Governance	p. 5
102-20	Executive-level responsibility for economic, environmental, and social topics	SR: Governance	p. 5
102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> <li>IR: Relationships on which we rely to create value</li> <li>SR: Our sustainability approach</li> </ul>	p. 28 p. 6
102-22	Composition of the highest governance body and its committees	IR: Governance (including committees)	p. 52
102-23	Chair of the highest governance body	IR: Governance (including committees)	p. 52
102-24	Nominating and selecting the highest governance body	IR: Governance (including committees)	p. 52
102-25	Conflicts of interest	<ul style="list-style-type: none"> <li>IR: Governance (including committees) directors' dealings</li> <li>SR: Ethics our strategy</li> <li><a href="https://www.mtn.com/who-we-are/ethics/ethics-positions/">https://www.mtn.com/who-we-are/ethics/ethics-positions/</a></li> </ul>	p. 52 p. 50
102-26	Role of highest governance body in setting purpose, values, and strategy	IR: Governance (including committees)	p. 52

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b> <small>continued</small>			
102-27	Collective knowledge of highest governance body	IR: Our board of directors	p. 62
102-28	Evaluating the highest governance body's performance	IR: Governance (including committees)	p. 52
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> <li>IR: Governance (including committees) social and ethics committee</li> <li>The committee considers sustainability matters including the group's compliance with ISO 14001, safety, health and environment, consumer protection laws and King IV Code, social, environmental and ethical recommendations, employment equity, the annual integrated business report and sustainability report, sponsorships, corporate social investment activities, and reviews social and ethics-related policies</li> </ul>	p. 57
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> <li>IR: Top risks to value creation; governance (including committees) – risk management, compliance and corporate governance committee</li> </ul>	p. 34; 56
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> <li>IR: Governance (including committees) – social and ethics committee</li> <li>See 102-29 above</li> </ul>	p. 57
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> <li>SR: About this report – directors' responsibility; our sustainability approach</li> <li>See 102-29 above</li> </ul>	p. 1; 5
102-33	Communicating critical concerns	<ul style="list-style-type: none"> <li>See response for 102-17</li> <li>IR: Risk management, compliance and corporate governance committee</li> </ul>	p. 56
102-34	Nature and total number of critical concerns	Due to sensitivities as a result of regulatory, legal or restrictions, the number and exact nature of critical concerns that were communicated to the highest governance body and the mechanisms used to address and resolve critical concerns cannot be disclosed. Using the guidelines set out in GRI 101: Foundations, disclosure on critical concerns is included in the IR, in the sections on our market context and material matters, relationships on which we rely to create value and top risks to value creation	p. 6; 28; 33
102-35	Remuneration policies	IR: Remuneration – remuneration and human resources committee	p. 59
102-36	Process for determining remuneration	IR: Remuneration – remuneration and human resources committee	p. 59
102-37	Stakeholders' involvement in remuneration	IR: Remuneration – remuneration and human resources committee	p. 59
102-38	Annual total compensation ratio	Not available	



## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b> <small>continued</small>			
102-39	Percentage increase in annual total compensation ratio	IR: Remuneration – single figure disclosure	p. 88
102-40	List of stakeholder groups	IR: Relationships on which we rely to create value	p. 28
102-41	Collective bargaining agreements	SR: Sustainability performance in numbers	p. 54
102-42	Identifying and selecting stakeholders	IR: Relationships on which we rely to create value	p. 28
102-43	Approach to stakeholder engagement	IR: Relationships on which we rely to create value	p. 28
102-44	Key topics and concerns raised	IR: Relationships on which we rely to create value	p. 28
102-45	Entities included in the consolidated financial statements	IR: How we manage our business	p. 5
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> <li>• IR: Our market context and material matters</li> <li>• SR: Our sustainability approach</li> </ul>	p. 6 p. 6
102-47	List of material topics	<ul style="list-style-type: none"> <li>• IR: Our market context and material matters</li> <li>• SR: Our sustainability approach</li> </ul>	p. 6 p. 6
102-48	Restatements of information	Within the current year's integrated and sustainability reports, any data restatements are indicated as notes to quantitative statements	
102-49	Changes in reporting	IR: About this report	p. 1
102-50	Reporting period	1 January 2018 to 31 December 2018	
102-51	Date of most recent report	31 December 2018	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	<a href="mailto:Investor.Relations@mtn.com">Investor.Relations@mtn.com</a> and <a href="mailto:sustainability@mtn.com">sustainability@mtn.com</a>	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 102: General disclosures</b> <small>continued</small>			
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
102-55	GRI content index	The GRI context index is presented as a complete report within the group's sustainability report. It is also presented as a PDF extract in the sustainability reports section on <a href="http://www.mfn.com">www.mfn.com</a> . It includes each GRI standard and title referenced, and provides more information or references page number(s) or URL(s) where the required information can be found	
102-56	External assurance	See GRI 1.5	
<b>GRI 201: Economic performance</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>IR: About this report; our market context and material matters; relationships on which we rely to create value</li> <li>SR: Our sustainability approach materiality</li> </ul>	p. 1; 6; 28 p. 6
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>IR: What we are doing to address the opportunities; how our strategy is creating value; how our strategy is sustaining value; top risks to value creation</li> <li>SR: This aspect is addressed under the strategy and context descriptions of the sections on transforming economies and societies; ethics and human rights; environmental responsibility and our workplace For compliance with international standards and widely recognised initiatives to topics, see GRI 101-1.8 above Where goals and targets are indicated in the IR and the SR, these are sometimes indicated as timebound (eg for the upcoming financial year) or time-range bound (eg medium or long term) Responsibility for managing the topic is indicated in the IR: how our strategy is creating value</li> </ul>	p. 8; 12; 14; 34 p. 14; 16; 28; 30; 38; 40; 48; 49
103-3	Evaluation of the management approach	Mechanisms for monitoring the effectiveness of the management approach is undertaken using the following: monthly MSR and risk and compliance or qualitative and quantitative dashboards for executive committee assessments, quarterly reports to board committees, annual external auditing of key selected material aspects, ongoing external performance ratings by the JSE, investors/shareholders/analysts/ratings organisations, participating in benchmarking programmes undertaken by independent third-party organisations and ongoing stakeholder engagement as indicated in GRI 101 1.1	
201-1	Direct economic value generated and distributed	IR: How our strategy is creating value; key financial tables	p. 12; 46
201-2	Financial implications and other risks and opportunities due to climate change	SR: Environmental responsibility – energy and climate risks	p. 40
201-3	Defined benefit plan obligations and other retirement plans	IR: Not available	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
201-4	Financial assistance received from government	In some countries, standard government rebates to encourage investment in national skills development and training is available to employers. In South Africa, for example, rebates at rates determined by the government are available on payments made in terms of the Skills Development Levies Act (where companies are registered with the South African Revenue Service, have a payroll above a government-determined threshold, and make payments of 1% of monthly payroll costs to the national skills development levy)	
<b>GRI 202: Market presence</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	See GRI 103-2 in economic performance above	
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not available	
202-2	Proportion of senior management hired from the local community	Not available	
<b>GRI 203: Indirect economic impacts</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value</li> </ul>	
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• IR: How our strategy is sustaining value; best customer experience; returns and efficiency; technology excellence</li> </ul>	p. 14; 16; 18; 26
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• IR: How our strategy is sustaining value; best customer experience; returns and efficiency; technology excellence</li> </ul>	p. 14; 16; 18; 26
203-2	Significant indirect economic impacts	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• IR: How our strategy is sustaining value; best customer experience; returns and efficiency; technology excellence</li> </ul>	p. 14; 16; 18; 26

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 204: Procurement practices</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• IR: Relationships on which we rely to create value</li> </ul>	p. 29
103-2	The management approach and its components	See GRI 103-2 in economic performance above	
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
204-1	Proportion of spending on local suppliers	This information is only available for MTN operations in South Africa. See SR: Sustainability performance in numbers	p. 56
<b>GRI 205: Anti-corruption</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• <a href="https://www.mtn.com/who-we-are/ethics/our-codes-of-ethics/">https://www.mtn.com/who-we-are/ethics/our-codes-of-ethics/</a></li> </ul>	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar)</li> <li>• SR: Ethics</li> <li>• <a href="https://www.mtn.com/who-we-are/ethics/ethics-positions/">https://www.mtn.com/who-we-are/ethics/ethics-positions/</a></li> </ul>	p. 15 p. 33
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• IR: Governance</li> </ul>	p. 56
205-1	Operations assessed for risks related to corruption	Not available	
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar)</li> <li>• SR: Ethics – what we did</li> </ul>	p. 15 p. 30
205-3	Confirmed incidents of corruption and actions taken	SR: Sustainability performance in numbers. Note that this includes all incidents classified as ethics issues, which includes incidents of corruption and actions taken	p. 55
<b>GRI 206: Anti-competitive behaviour</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	See GRI 103-2 in economic performance above	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In the matter relating to Turkcell's alleged grievances arising from its unsuccessful bid to obtain a mobile licence in Iran, and the awarding of that licence to MTN Irancell in 2005, MTN continues to be of the strong view that there is no legal merit to Turkcell's claim and MTN will continue to vigorously oppose it. Further developments on this matter are communicated in the recent press section of <a href="http://www.mfn.com">www.mfn.com</a>	
<b>GRI 301: Materials</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility</li> </ul>	p. 38
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility environmental resources</li> <li>• The group's position on networks and the environment is available on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 45
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility environmental resources</li> </ul>	p. 45
301-2	Materials used by weight or volume	This information is only available for MTN's use of energy. See SR: Energy and climate	p. 43
301-3	Recycled input materials used	MTN procures materials and does not manufacture materials.	
<b>GRI 302: Energy</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility</li> </ul>	p. 38
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – energy and climate</li> <li>• The group's position on networks and the environment is available on <a href="http://www.mfn.com">www.mfn.com</a></li> <li>• The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 40
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – energy and climate</li> <li>• The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 40
302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> <li>• SR: Sustainability performance in numbers</li> <li>• The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
302-2	Energy consumption outside of the organisation	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55
302-3	Energy intensity	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> <li>SR: Environmental responsibility – energy and climate; sustainability performance in numbers</li> <li>The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 44; 55
<b>GRI 305: Emissions</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Environmental responsibility – energy and climate</li> </ul>	p. 40
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Environmental responsibility – energy and climate</li> <li>The group's position on networks and the environment is available on <a href="http://www.mfn.com">www.mfn.com</a></li> <li>The group's activities on energy management is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 40
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Environmental responsibility – energy and climate</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 40
305-1	Direct (scope 1) GHG emissions	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55
305-2	Energy indirect (scope 2) GHG emissions	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55
305-3	Other indirect (scope 3) GHG emissions	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 55
305-4	GHG emissions intensity	<ul style="list-style-type: none"> <li>SR: Sustainability performance in numbers</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 44; 55
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> <li>SR: Environmental responsibility – energy and climate; sustainability performance in numbers</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	p. 44; 55
305-6	Emissions of ozone-depleting substances (ODS)	<ul style="list-style-type: none"> <li>This is included as reported for GRI 305-5</li> <li>The group's activities on emissions is submitted to CDP and published on <a href="http://www.mfn.com">www.mfn.com</a></li> </ul>	
<b>GRI 306: Effluents and waste</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>As a tertiary services organisation, MTN does not emit significant effluent. MTN's main waste impacts are not deemed high impact (material). Waste results from the use of electronic and electrical equipment, and paper, plastic, water and tin/metals consumed in office operations</li> <li>See GRI 103-1 in economic performance above</li> <li>SR: Environmental responsibility – environmental resources</li> </ul>	p. 45

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – energy and climate</li> <li>• The group's position on networks and the environment is available on <a href="http://www.mtn.com">www.mtn.com</a></li> </ul>	p. 45
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – environmental resources</li> </ul>	p. 45
306-2	Waste by type and disposal method	<ul style="list-style-type: none"> <li>• SR: Environmental responsibility – environmental resources: greening operations</li> </ul>	p. 45
306-3	Significant spills	While there have been some isolated instances of small diesel spillages, MTN did not experience any significant diesel spillages in 2018	
306-4	Transport of hazardous waste	The most material waste subject to this convention is electronic and electrical waste (e-waste or WEEE). In South Africa, e-waste is processed locally to the greatest possible extent, by MTN's e-waste handlers. E-waste handed over by MTN for recycling or safe disposal is processed by handlers and recyclers that have been subject to due diligence, and/or are certified in terms of national regulations and/or global standards. Supplier take-back agreements are in place in Cameroon, and safe disposal guidelines for batteries have been implemented in Iran. A public-private partnership addressing extended producer responsibilities has been developed in Nigeria. A new programme for e-waste management in Ivory Coast has been announced in partnership with authorised handlers and recyclers	
306-5	Water bodies affected by water discharges and/or runoff	MTN predominantly draws water from local authority and municipal sources, for consumption in office and data centre facilities. Grey water is used in some operations for bathroom facilities; in other instances water is discharged back into municipal systems	
<b>GRI 307: Environmental compliance</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – environmental resources</li> </ul>	p. 45
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental responsibility – energy and climate</li> <li>• The group's position on networks and the environment is available on <a href="http://www.mtn.com">www.mtn.com</a></li> </ul>	p. 45
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-1 above</li> <li>• SR: Environmental responsibility – environmental resources</li> <li>• Compliance is assessed by local regulatory authorities</li> </ul>	p. 45
307-1	Non-compliance with environmental laws and regulations	When cell masts are erected, communities may sometimes express concerns about potential effects from electromagnetic frequencies. While we ensure we remain compliant with local environmental laws and regulations, there may be instances where communities may challenge such installations	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 401: Employment</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Our workplace</li> </ul>	p. 15; 28 p. 49
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• IR: Remuneration – remuneration and human resources committee, remuneration report</li> </ul>	p.59; 66
401-1	New employee hires and employee turnover	SR: Sustainability performance in numbers	p. 54
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not available	
401-3	Parental leave	Maternity and paternity leave is available to employees in some of the countries in which we operate. In some instances, the amount of leave exceeds minimum statutory requirements	
<b>GRI 402: Labour/management relations</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council without fear of victimisation. Our code of conduct enables us to correctly manage situations where an employee may infringe on these rights.</li> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Our workplace – our strategy</li> </ul>	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Our workplace</li> </ul>	p. 15; 28 p. 49
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
402-1	Minimum notice periods regarding operational changes	Employees are notified as soon as possible of restructuring processes within the organisation if considered. This follows a consultation processes. Once an employee has been confirmed for retrenchment, he/she is given at least one month's notice. This notice period may even be longer than one month, as determined by the various labour laws (which always state the minimum notice period) applicable in the countries in which MTN operates	



## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 403: Occupational health and safety</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: Relationships on which we rely to create value</li> <li>• SR: Our workplace</li> </ul>	p. 28 p. 49
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
403-1	Workers' representation in formal joint management-worker health and safety committees	Not available	p. 51
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR: Our workplace health and wellness; sustainability performance in numbers	p. 51; 55
<b>GRI 404: Training and education</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• IR: How our strategy is sustaining value</li> <li>• SR: Our workplace – our strategy</li> </ul>	p. 14 p. 49
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Our workplace – future-proofing our workplace</li> </ul>	p. 15; 28 p. 50
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
404-1	Average hours of training per year per employee	SR: Sustainability performance in numbers	p. 54
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: Our workplace – future-proofing our workplace	p. 50

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
404-3	Percentage of employees receiving regular performance and career development reviews	SR: Sustainability performance in numbers	p. 54
<b>GRI 405: Diversity and equal opportunity</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• IR: How we create value; social and ethics committee</li> <li>• SR: Our workplace – the inclusive workplace</li> </ul>	p. 13; 57 p. 49
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Our workplace – future-proofing our workplace</li> </ul>	p. 15; 28 p. 51
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>• IR: Governance – board diversity</li> <li>• SR: Our workplace – future-proofing our workplace</li> </ul>	p. 54 p. 51
405-2	Ratio of basic salary and remuneration of women to men	Not available	
<b>GRI 406: Non-discrimination</b>			
103-1	Explanation of the material topic and its boundary	<p>MTN believes that diversity and non-discrimination is both a moral imperative and a source of competitive advantage, as it enables innovation and access to a wider range of experiences and skills. The group social and ethics committee's terms of reference includes monitoring the company's activities with respect to its standing in terms of the International Labour Organisation Protocol on decent work and working conditions</p> <p>See GRI 103-1 in economic performance above</p>	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Our workplace – the inclusive workplace</li> </ul>	p. 15; 28 p. 51
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
406-1	Incidents of discrimination and corrective actions taken	This information is not available separately: it is included in ethics data in the SR: Sustainability performance in numbers	p. 55

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 407: Freedom of association and collective bargaining</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council without fear of victimisation. Our code of conduct enables us to correctly manage situations where an employee may infringe on these rights</li> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: our workplace – our strategy</li> </ul>	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• SR: Our workplace – our strategy</li> </ul>	p. 49
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not available	
<b>GRI 412: Human rights assessment</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Digital human rights our context</li> </ul>	p. 33
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• SR: Digital human rights our strategy; what we did</li> </ul>	p. 33; 34
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>• See GRI 103-3 in economic performance above</li> <li>• SR: Digital human rights what we did governance, freedom of expression and privacy processes</li> </ul>	p. 35
412-2	Employee training on human rights policies or procedures	Not available	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not available	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
<b>GRI 413: Local communities</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• IR: How our strategy is sustaining value (see hearts and minds pillar); relationships on which we rely to create value</li> <li>• SR: Corporate social investment – our strategy</li> </ul>	p. 15; 28 p. 24
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• SR: Corporate social investment – our strategy</li> </ul>	p. 24
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
413-1	Operations with local community engagement, impact assessments, and development programmes	SR: Corporate social investment – what we did	p. 24
<b>GRI 415: Public policy</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Corporate social investment – our strategy</li> </ul>	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: Relationships on which we rely to create value</li> <li>• SR: Corporate social investment – our strategy</li> </ul>	p. 28 p. 24
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
415-1	Political contributions	In 2018, MTN South Africa donated R25 million to political parties in support of upcoming national elections in 2019. The amount was apportioned to parties based on the number of seats held in the national assembly, following the outcomes of the 2014 national elections.	
<b>GRI 416: Customer health and safety</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental resources our strategy</li> <li>• The group's position on mobiles and health is available on <a href="http://www.mtn.com">www.mtn.com</a></li> </ul>	p. 45
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• SR: Environmental resources what we did EMF management</li> </ul>	p. 46
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
416-1	Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Environmental resources – what we did on EMF management</li> </ul>	p. 46
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not available	
<b>GRI 417: Marketing and labelling</b>			
103-1	Explanation of the material topic and its boundary	See GRI 103-1 in economic performance above	
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>IR: How our strategy is creating value best customer experience; relationships on which we rely to create value</li> <li>SR: Digital human rights empowering customers through fair treatment and mobile advertising controls</li> </ul>	p. 14; 28 p. 35
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>See GRI 103-3 in economic performance above</li> <li>IR: How our strategy is creating value best customer experience. The Net Promoter Score (NPS) is an externally assured figure</li> </ul>	p. 14
417-1	Requirements for product and service information and labelling	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Digital human rights empowering customers through fair treatment and mobile advertising controls</li> </ul>	p. 35
417-3	Incidents of non-compliance concerning marketing communications	Not available	
<b>GRI 418: Customer privacy</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>See GRI 103-1 in economic performance above</li> <li>SR: Digital human rights – our context</li> </ul>	p. 33
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>See GRI 103-2 in economic performance above</li> <li>IR: Relationships on which we rely to create value</li> <li>SR: Digital human rights – our strategy; what we did</li> </ul>	p. 28 p. 33; 34
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> <li>See GRI 103-3 in economic performance above</li> <li>SR: Digital human rights – what we did governance, freedom of expression and privacy processes</li> </ul>	p. 35

## Global Reporting Initiatives Standards continued

Indicator	Disclosure	Reference and information	Page(s)
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not available	
<b>GRI 419: Socio-economic compliance</b>			
103-1	Explanation of the material topic and its boundary	<ul style="list-style-type: none"> <li>• See GRI 103-1 in economic performance above</li> <li>• IR: Our market context and material matters challenging political and regulatory environment; our top risks to value creation</li> </ul>	p. 6; 33
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>• See GRI 103-2 in economic performance above</li> <li>• IR: How our strategy is creating value (see hearts and minds pillar); how our strategy is sustaining value hearts and minds (see 2018 performance); relationships on which we rely to create value; governance risk management, compliance and corporate governance committee</li> </ul>	p. 13; 25; 29; 56
103-3	Evaluation of the management approach	See GRI 103-3 in economic performance above	
419-1	Non-compliance with laws and regulations in the social and economic area	The value of major fines is described in the group's annual results presentation available at <a href="https://www.mtn.com/investors/">https://www.mtn.com/investors/</a>	



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