Doing for tomorrow, today

MTN's Road to Zero
Climate Report 2022
Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
Our Purpose is to enable the benefits of a modern connected life for everyone

Navigating this report
Throughout our Climate Report, the following icons are used to show the connectivity between our strategic priorities, our capitals and value creation for our stakeholders.

In the year we took a step change in our approach to ESG, placing it at the core of our strategy. This aligns with our work to advance the United Nations Sustainable Development Goals (SDGs) through our business activities and our support of governments, communities and customers. The SDGs target a sustainable society with a plan to end poverty, protect the planet and ensure equality for all by 2030. We are committed to bridging the digital divide, furthering financial inclusion to advance the attainment of the goals. For details of how we determine the SDGs on which we have the greatest impact, see page 28.
MTN is a pan-African mobile operator with the strategic intent of ‘Leading digital solutions for Africa’s progress’. Inspired by our belief that everyone deserves the benefits of a modern connected life, we provide a diverse range of voice, data, fintech, digital, enterprise, wholesale, and application programming interface (API) services to more than 272 million customers in 19 markets.

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 communication infrastructure, developing new technologies and by harnessing the talent of our diverse people to now offer services to communities across Africa and the Middle East.

MTN Group Limited is a publicly owned entity whose shares are traded on the JSE. At the end of 2021 our market capitalisation was R321.7 billion (US$20 billion).

How we define value

For us, value is progress in achieving our strategic intent and delivering on our purpose to enable the benefits of a modern connected life for everyone in our footprint.

**Guided by our**

**Strategic intent**

Ambition 2025
‘Leading digital solutions for Africa’s progress’

And delivering on our

**2025 Strategic priorities**

- Build the largest and most valuable platforms
- Drive industry-leading connectivity operations
- Create shared value
- Accelerate portfolio transformation

**We are creating**

the MTN of tomorrow:

- Purposeful
- Inclusive and diverse
- Innovative
- Agile
- Resilient
- Partner to nation states

With ESG at the core

Creating value for all

<table>
<thead>
<tr>
<th>282m subscribers</th>
<th>130m active data users</th>
</tr>
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<tbody>
<tr>
<td>61m active MoMo users</td>
<td>14.9m active ayoba users</td>
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</table>
| R92.5bn **in service revenue** | 16 390 skilled MTNers*
| R17.0bn ***Africa’s largest fixed and mobile network: invested capex |

<table>
<thead>
<tr>
<th>Economic value of ~R115bn added across our markets</th>
<th>Reduction of ~16% in GHG emissions (targeting 47% reduction by 2030 and Net Zero by 2040)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural broadband coverage 85.6% (targeting 95% by 2025)</td>
<td>Women are 39% of our workforce (targeting 50% by 2030)</td>
</tr>
</tbody>
</table>

* After exiting MTN Syria and MTN Yemen in the year.
** R92.5bn as at interim results for H1 2022. R82.9bn was the service revenue for H1 2021.
*** R170bn under IAS17 as at interim results for H1 2022. R111.6bn under IAS17 was the invested capex for H1 2021.
Our year at a glance

Doing for our planet

**ROAD TO ZERO**

Reduction of ~16% in GHG emissions (targeting 47% reduction by 2030 and Net Zero by 2040)

Suppliers who have pledged to join MTN’s Road to Zero: 208

Total **energy consumption** across Scope 1, Scope 2 and Scope 3

\[
20,202,972\text{GJ}
\]

Total **GHG emissions** (Scope 1, Scope 2 and Scope 3)

\[
5,236,608\text{tCO}_2\text{e}
\]

Total **energy consumption** across Scope 1 and Scope 2

\[
7,921,106\text{GJ}
\]

**GHG emissions/subscriber**

(Scope 1 and Scope 2)

\[
0.0192240\text{tCO}_2\text{e}
\]

**GHG emissions per revenue**

(Scope 1 and Scope 2)

\[
0.0000288\text{tCO}_2\text{e}
\]

**B- score** on Carbon Disclosure Project (CDP) Climate Change Survey

**Task Force on TCFD supporter**

Installed 10,485 alternative energy sites in 2021, of which 3,005 are solar (2020: 8,396 alternative energy sites, of which 2,435 were solar)

General waste reduced/ recycled: 35,409kg

(2020: 3,314kg)
Message from our Group President and CEO

We believe that access to affordable means of communication has the power to change lives and bridge inequalities. As demonstrated by the COVID-19 pandemic, internet affordability and increased accessibility are now vital enablers for communities, governments and businesses. To this end, MTN remains steadfastly focused on leading digital solutions for Africa’s progress.

We were starkly reminded of the importance of balancing the need to keep connecting more people and managing the environmental impacts of our operations responsibly. We know that the growth and success of our business cannot come at the future expense of our planet and that environmental and social considerations must be at the heart of everything we do as a company.

Climate change is one of the greatest threats humanity has ever faced and taking climate action is imperative towards securing future socioeconomic development in Africa. According to the World Economic Forum’s Global Risks Report, failure to act on climate, extreme weather, and biodiversity loss are the top three most critical threats to the world in the medium term and long term. We are already seeing record heat waves and droughts, and heavy rainstorms and flooding. This includes the recent devastating storms in KwaZulu-Natal that destroyed thousands of homes and caused widespread infrastructure damage and power outages in communities and at MTN’s sites.

Although the ICT sector contributes only an estimated 2% of GHGs at present, this is likely to grow over the next 10 years under a ‘business as usual’ approach. It is clear that a shift in how we deliver growth and development needs to come quickly because climate change will become too costly to ignore. MTN is therefore committed to taking action now by ensuring that climate change issues are carefully integrated into the Group’s strategy and operations.

We are deeply committed to protecting our planet and achieving Net Zero emissions by 2040. To realise our Net Zero targets, MTN launched its Project Zero programme to leverage the latest technologies and service partnerships to deliver greater energy efficiencies, lower carbon emissions, reduce risks and improve cost controls. Project Zero also exemplifies our ability to create a common language and clear targets to ensure GHG emission reduction conversations are pervasive across our markets. Our individual operating companies are currently developing individualised Project Zero strategies to enable us to meet our Group-wide Net Zero target by 2040.

To build on this milestone, in February 2022, MTN pledged its support for the recommendations of the TCFD. By publicly declaring support for the TCFD and its recommendations, we intend to demonstrate the actions we are taking to build a more resilient financial system through climate-related disclosure.

This report is a first step towards that goal, which included appointing Nkululeko Sowazi as the designated climate change Board member responsible for climate change-related issues.

We are proud of our progress, but there is still much complex and challenging work to do – within our own business and as an industry. No single company can do it alone, and we intend to use our influence, technology and reach to inspire and enable wider action to tackle the climate emergency – by our customers, our suppliers, our industry and beyond.

We are excited about this next chapter in our pan-African story and proud to play our role in mitigating the impacts of climate change.

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### Our sustainability strategy framework

MTN enjoys an unparalleled reach across the African continent, as an important employer across every market and a valuable and recognisable brand. We have the power to make a difference, improving lives and livelihoods across our footprint.

Our holistic sustainability strategy is being integrated across the Group. Each pillar is complemented by a set of policies and procedures to reinforce our commitment and facilitate implementation by our operating companies. Our sustainability performance is monitored by the Board Social, Ethics and Sustainability Committee and our sustainability mandate and integration is reflected across all Board committees.

Our four-pillar sustainability strategy framework outlines our vision of creating shared value through responsible environmental, social and governance practices. We deliver on this vision of driving broader socioeconomic benefits to society through our four-pillar sustainability strategy framework. In addition to ESG, our framework includes creating economic value. In 2021, we sharpened our sustainability strategy across the four pillars, outlining bold commitments for each pillar. Our 2025 goals and targets support our role as an UN SDG enabler.

#### Belief statement

*Everyone deserves the benefits of a modern connected life*

#### Strategic intent

**Ambition 2025** *Leading digital solutions for Africa’s progress*

#### Commitments

<table>
<thead>
<tr>
<th>Eco-responsibility</th>
<th>Sustainable societies</th>
<th>Governance</th>
<th>Economic value</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are committed to protecting our planet and achieving Net Zero emissions by 2040</td>
<td>We are committed to driving digital and financial inclusion and diverse societies</td>
<td>We are committed partners to stakeholders to create and protect value</td>
<td>We are committed to boosting inclusive economic growth on the continent</td>
</tr>
</tbody>
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#### Metrics/actions

- **Eco-responsibility**
  - a) Project Zero: Reduce GHG emission
  - b) Efficiency: Improve energy efficiency
  - c) Water and waste management: Reducing our impact

- **Sustainable societies**
  - a) Generational equality: Increase women representation
  - b) Increase access and reduce cost to communicate
  - c) Increase financial inclusion

- **Governance**
  - a) Enhance reputation and trust with stakeholders
  - b) Digital human rights
  - c) Responsible procurement and supply chain
  - d) Responsible policies and practices

- **Economic value**
  - a) Tax contribution across markets
  - b) Network infrastructure investment
  - c) Contribution to society through ICT: digital education, digital skills and jobs

#### UN SDGs

[MTN enjoys an unparalleled reach across the African continent, as an important employer across every market and a valuable and recognisable brand. We have the power to make a difference, improving lives and livelihoods across our footprint. Our holistic sustainability strategy is being integrated across the Group. Each pillar is complemented by a set of policies and procedures to reinforce our commitment and facilitate implementation by our operating companies. Our sustainability performance is monitored by the Board Social, Ethics and Sustainability Committee and our sustainability mandate and integration is reflected across all Board committees. Our four-pillar sustainability strategy framework outlines our vision of creating shared value through responsible environmental, social and governance practices. We deliver on this vision of driving broader socioeconomic benefits to society through our four-pillar sustainability strategy framework. In addition to ESG, our framework includes creating economic value. In 2021, we sharpened our sustainability strategy across the four pillars, outlining bold commitments for each pillar. Our 2025 goals and targets support our role as an UN SDG enabler.]
Our climate change vision

We are committed to protecting our planet by achieving Net Zero emissions by 2040

Climate action is imperative to secure future socioeconomic development in Africa. We recognise the importance of balancing the reduction of our impact on the environment with the need to connect more people. Increased global demand for energy has an undeniable negative impact on the climate, yet complexities exist around driving progress on the continent while reducing negative environmental impacts. As economies and populations grow, the telecommunications industry faces several challenges since every additional connected person, device or data transmitted represents a potential increase in energy used. Our approach to reducing our impact aims to increase efficiencies, reuse infrastructure and parts, and invest in renewable energy sources.

MTN manages the need for urgent action on climate change through Project Zero, which is aligned with the Paris Climate Agreement to limit global temperature rise to 1.5°C as well as UN SDG 7 (affordable and clean energy) and 13 – climate action.

MTN’s Project Zero vision is to promote environmentally conscious business and reduce GHG emissions across our footprint.

Why

MTN environmental management commitments are at the heart of sustainability

- Commit to environmental protection and management
- Commit to use natural resources and energy more efficiently
- Commit to reduce emissions, releases and waste
- Commit to monitor and report MTN environmental performance

How

Actively pursue the reduction of our carbon footprint via the setting of science-based targets (in line with SBTi business ambition for the 1.5°C campaign) and carbon off-setting

- Scope 1: Emissions are direct emissions from owned or controlled sources*
- Scope 2: Emissions are indirect emissions from the generation of purchased energy*
- Scope 3: Emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions*
- Carbon offsets: Activity that compensates for the emission of CO₂ and other GHG, e.g. renewable energy projects

Where

Everywhere... Every market has its role to play

- 80% of MTN carbon footprint contributors

- The long tail

Who

Everyone... Most valuable progress can come from working with others

- MTN Group and operating companies
- MTN employees
- Suppliers and vendors
- Customers

*These definitions are in line with the GHG Protocol Corporate Standard.

Visit [MTN] for more information on our position on energy and climate change.
The mobile sector climate response

2021 was the year in which climate change was a focus area in many industries, governments and the public. The use of mobile data has significantly increased post the COVID-19 pandemic, making the industry vulnerable to emitting high levels of GHGs.

As such, the mobile industry led by the GMS Association (GMSA), is taking a stand against climate change and plans to achieving Net Zero emissions by 2050 through co-ordinated steps in its climate action approach and long-term investment planning.

The mobile sector contributes towards 0.4% of the global emissions, with customer use-related carbon emissions at 27%, as well as supply chain emissions. Taking cognisance of the mobile sector decarbonisation plans over the years, only 19% makes up the carbon emissions from the sector’s own operations.

Scope 3 emissions across the whole value chain contribute the most towards the climate crisis at 72%, which has inversely encouraged greater collaboration in developing climate resilience, mitigation and adaptation strategies. The sector’s operational networks (Scope 1 and Scope 2) charted at 2% and 26%, respectively, as the sector rolls out smart technology and green investments.

The businesses we partner with and the communities we serve are central to the sector’s plans to transitioning to a sustainable future. As MTN, we are committed to protecting our planet by achieving Net Zero emissions by 2040.

To help deliver our purpose and reduce our environmental impact, MTN is a member of the GSMA Climate Action Taskforce. We value industry partnerships for impactful action and insight in collectively managing climate change impacts and meet the ambition of the Paris Agreement of keeping warming below 1.5 degrees Celsius.

The climate action topics focused on are:

- Improving energy efficiency in networks and buildings.
- Increasing access to, and use of, renewable electricity (Exploring the deployment of solar to reduce reliance on dirty grids).
- Engaging with mobile industry suppliers on decarbonisation pathways.
- Improving the environmental sustainability of mobile devices and equipment.
- Adapting infrastructure and managing extreme weather events in a rapidly changing climate.
- Using mobile connectivity to reduce carbon emissions through smart technologies.

Read more about the sector’s mobile Net Zero pathway:
Our climate change journey

One of the most significant ways that business is shaping the world we live in is through energy use and its contribution to climate change. We recognise that we have a role to play in contributing meaningfully on much-needed actions to mitigate and adapt to the impact of climate change. The timeline below shows some of the major milestones in our climate journey, as we have integrated climate-related considerations into our business.

1. **Commitment to Net Zero emissions by 2040** to contribute to a sustainable future

2. Nkululeko Sowazi named MTN Group’s designated climate change Board member

3. Joined JAC and GeSI* – promote technologies and practices that foster ESG within our supply chain

4. 1 Billion Lives Challenge commitment to include financially 100m people and 2m SMEs by 2025

5. Every Action Counts empower 1 billion digital green champions by 2025

6. ESG KPI linked to executive remuneration for climate change

7. CDP score changes to B- MTN achieved a B-rating for its CDP climate change reporting, showing continuing improvement

8. MTN becomes a TCFD supporter and its recommendations on climate-related risks and opportunities

9. Science Based Targets Initiative (SBTi) verification. MTN will be submitting its GHG emission targets to the SBTi for review and validation

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Our drive to continuously enhance disclosure

MTN Group prepares comprehensive annual reports on the Company’s sustainability efforts, which include an Integrated Report and a Sustainability Report. Our disclosures are guided by international best practices, including the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) Standards, CDP, the UN Guiding Principles on Business and Human Rights, the FTSE/JSE Responsible Investment Index Series and the King Code of Governance Principles (King IV).

Since 2013, MTN has completed a UN Global Compact Report, communicating our commitment and contributions toward the UN SDGs. The report reflects how we have honoured our ethical or moral obligations towards our employees, our communities, society and the environment in the countries where we operate. We also complete an annual Global Reporting Initiative (GRI) Report, which documents where GRI disclosures can be found across our reporting initiatives.

MTN Group is proud to be among the more than 14 000 cities, companies and investors that have committed to environmental transparency through the CDP reporting process. MTN Group has participated in the CDP since 2014. The CDP is an international non-profit organisation that helps companies and cities disclose data on their environmental performance. MTN Group’s reporting has been rated on par with the Africa regional average for the media, telecommunications and data centre services sector. We currently hold a B- rating and expect our scoring to improve going forward with our expanded climate change initiatives and adaptation efforts.

Our CDP supplier engagement rating improvement is attributed to our ability to engage the value chain, set targets, and manage and disclose risks. In 2021, we actively engaged our suppliers and incentivised the reduction of carbon emissions, which will result in the reduction of future Scope 3 emissions.

Visit: [CDP link] to access our CDP report for further details on our climate change risks and opportunities.

Leadership (A/A-): Implementing current best practices.
Management (B/B-): Taking co-ordinated action on climate issues.
Awareness (C/C-): Knowledge of impacts on, and of, climate issues.
Disclosure (D/D-): Transparent about climate issues.
TCFD in review

MTN has become a TCFD supporter
In February 2022, MTN became a TCFD supporter indicating that we believe that the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities. By publicly declaring support for the TCFD and its recommendations, we intend to demonstrate the actions we are taking to build a more resilient financial system through climate-related disclosure.

Building on our prior climate disclosures, this marks the first year that MTN Group has prepared and published a climate change report, aligned to the recommendations of the TCFD. We will continue to improve and expand upon our TCFD reporting.

The TCFD was established by the Financial Stability Board, an international banking organisation to encourage voluntary, consistent climate-related financial risk disclosures by companies throughout the economy. The intention is to strengthen and protect global financial markets from systemic risks, such as climate change through better disclosure and understanding.

The TCFD enables companies to enhance the management of climate risks and opportunities and to illustrate their evolution in climate response, positioning the companies to make responsible investment decisions.

The TCFD framework is based on four key pillars: governance, strategy, risk management, and metrics and targets. These recommendations guide companies in preparing their climate-related disclosures and to ensure consistency and alignment in disclosures.

Core Elements of Recommended Climate-related Financial Disclosures

Governance
The Company’s governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the Company’s businesses, strategy, and financial planning

Risk management
The processes used by the Company to identify, assess and manage climate-related risks

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities
The Four Pillars

Governance

Board of Directors

Board composition that is fit for purpose
Our Board comprises a suitable balance of knowledge, skills, experience, diversity and independence to carry out its governance role and responsibilities objectively and effectively.

The Group Executive Committee (Exco) facilitates the effective control of the Group's operational activities in terms of the authority delegated to it by the Board through the Group President and CEO. The Group Exco is responsible for recommendations to the Board on the Group's policies and strategy, as well as being responsible for monitoring implementation.

Our strategic approach is aimed to integrate key focus areas such as ESG and climate change at various Board and committee level engagements. We remain resolute in ensuring efficient operations in accordance with the law, and enhancing transparency of our business management. With the emergence of climate change as a business priority, our MTN leadership gives serious consideration to addressing climate-related matters and to the long-term sustainability of the business.

Chairmen Engagement Forum [Inclusive of Chairs of Opco Boards and the Group President and CEO]

Chaired by the Chairman of the Board
Governance provides the structure and processes through which the objectives of the organisation are set, progress against performance is monitored, and results are evaluated. The TCFD recommends that organisations describe the Board’s oversight of climate-related risks and opportunities and also describe management’s role in assessing and managing climate-related risks and opportunities.

At MTN, our Board of Directors has overall accountability for MTN’s sustainability strategy, which includes our climate change response. In 2021, we evolved the operational governance framework and structure to better align with Ambition 2025. The Board delegates its authority to committees with the mandate to deal with relevant governance issues and report back to the Board on these on a quarterly basis. Each committee operates under terms of reference setting out roles and responsibilities, composition and scope of authority. These are reviewed every year.

The Social and Ethics Committee has oversight of our sustainability strategic ambitions, progress and milestones. In 2021, we re-examined our committees’ mandates, mainly to give effect to oversight obligations arising from sustainability imperatives and to address overlaps in committee activities. The committee was renamed the Social, Ethics and Sustainability Committee. As a cross-cutting issue, climate change issues and opportunities are addressed by multiple Board committees. These discussions guide current and future Company strategy, business model, procedures and processes as well as execution, including continued focus to achieving Net Zero emissions by 2040.

The Social, Ethics and Sustainability Committee, chaired by Nkulekele Sowazi, oversees the Company’s sustainability and reporting initiatives, and reports to the Board on a quarterly basis. MTN has also named Nkulekele as designated climate change Board member, responsible for ensuring that climate risks and opportunities are appropriately addressed within the Company. Nkulekele has over 20 years of experience in management and leadership positions and extensive exposure serving on listed and unlisted company boards. Our governance structure has evolved to include more regular discussion and assessment of climate-related risks and opportunities.

As part of our efforts to tackle climate change, the Board provided oversight on the salient areas of MTN’s climate change response by focusing on the development and approval of the Group’s Sustainability Strategic Framework, which has clearly defined targets and goals.

With integrity at the centre of our sustainability objectives, the establishment of key performance indicators for Group Executives and CEOs has been a significant breakthrough. The Sustainability Strategic Framework clearly links executive remuneration for LTIs to ESC targets, with a focus on Net Zero, diversity, inclusion and the expansion of rural broadband. This will enable the improvement plans to be cascaded down to the various operations and business units.

We are committed in improving our climate-related disclosures and this report marks the beginning of our progressive climate action. We are proud to have capitalised on our technological advancement to ensure that we govern MTN to create shared value amidst the increasing climate challenges.

The work on MTN’s climate response will continue apace, and the Board, management and our people will continue to make progress as we transition to meet our Net Zero goals.
The Four Pillars continued

The Risk Management and Compliance Committee’s work includes providing oversight of the identification, monitoring and mitigation of existing and emerging risks and of compliance matters. Principles on managing climate risks form part of the committee’s mandate, which includes aligning long-term sustainability risks including tackling climate change in alignment with the Company’s risk strategy and the long-term objectives of the Group.

Road to Zero Committee

MTN further has the Road to Zero Committee, which is focused on identifying climate-related risks, tracking progress toward MTN’s Net Zero commitment and steering the Company’s strategy and investment decisions to achieving MTN’s Net Zero by 2040 mandate. The Road to Zero Committee’s work includes the identification of material climate-related risks in the short, medium and long term and taking appropriate action, as well as considering the related opportunities in the Company’s strategy. Further, the committee reports progress to the Social, Ethics and Sustainability Committee and is responsible for the reporting and disclosure on matters related to climate change.
Management responsibility

MTN’s Group Chief Sustainability and Corporate Affairs Officer is responsible for reinforcing our strategic priority of creating shared value and the integration of ESG at the core of our business. The role’s main areas of focus are on decarbonising; rural connectivity; greater diversity and inclusion; enhanced stakeholder management; and protecting digital human rights. This includes developing and executing the Net Zero strategy and providing reporting into management and the MTN Group Board on climate-related issues.

The Group Sustainability team is responsible for driving ESG execution and integration into the Group, which includes environmental management, as well as monitoring and reporting on climate change targets and programmes such as Net Zero targets.

Most of MTN’s emissions stem from its network and as a result the Group Chief Technology and Information Systems Officer has a responsibility to the Project Zero programme to leverage the latest technologies and service partners to enable business sustainability via greater energy efficiencies, low-carbon emissions, risk reduction and cost control. The programme prioritises renewable solutions, efficient emerging technologies and energy storage.

MTN’s Group Chief Risk officer is responsible for the management of enterprise-wide risk, which is integral to MTN’s growth strategy and includes climate-related risks and tracking of the required Group-wide risk mitigation measures.

MTN operates across a broad geographic footprint with operating companies in 19 markets. The Group Sustainability, Technology and Risk Management team has regular engagement with the operating companies to discuss climate-related issues, such as GHG accounting methods, emissions abatement strategies and climate risks. This engagement with colleagues across the organisation ensures a common understanding of climate-related risks, goals and objectives.

The following pages describe in detail our strategy for achieving our climate commitments.

Our climate change response is an integral part of our Sustainability Strategy. We remain resolute in our focus to address the impacts of climate change and realise our Net Zero by 2040 ambition.

– Nompilo Morafo Group Chief Sustainability and Corporate Affairs Officer

Our Project Zero approach is underpinned by leveraging the latest technologies and service providers. Our programme prioritises efficient emerging technologies, renewable solutions and energy storage.

– Mazen Mroué Group Chief Information and Technology Officer

Recognising the risks of climate change, MTN is committed to identifying and assessing climate-related risks and opportunities. We believe in a proactive approach to enhance overall business performance and resilience.

– Ferdi Moolman Group Chief Risk Officer
Taking action towards Net Zero

Taking action towards Net Zero, MTN Project Zero’s vision is to promote environmentally conscious business and reduce GHG emissions across our operations. In 2021, our Group President and CEO, Ralph Mupita signed a pledge with the SBTi that formally commits the MTN Group to a Net Zero ambition. Project Zero not only exemplifies our commitment, but also creates a common language and target to ensure GHG emission-reduction conversations are pervasive across our footprint.

In 2021, we took decisive steps towards our commitment to achieving Net Zero by 2040. This included improving our GHG emission measurement methodologies, developing Net Zero strategies for key operating companies, and engaging with various partners to reduce our emissions throughout the supply chain. We also worked on various technology requests for proposal (RFPs) to introduce new suppliers into our supplier network who offer our operating companies more sustainable technology alternatives. We are exploring the extension of the third-party support to cover additional MTN markets for customised Net Zero strategies in 2022.

Developing Net Zero strategies

Our individual operating companies are in the process of developing Project Zero strategies to enable us to meet our Group-wide Net Zero target by 2040. We made good progress in 2021 in kicking off the establishment of Project Zero strategies in South Africa, Nigeria, Cameroon, Sudan, and Ghana. Third-party support has been appointed to assist in creating a roadmap until 2040, with guidance and additional support through the MTN framework provided to other operating companies. Project Zero was also assessed at a Group level to ensure the programme is sound from a third-party perspective. Each operating company’s progress is further measured through KPIs bi-annually and forms part of the Group’s OxyGEN maturity index.
We focus on energy consumption and climate change

**Project Zero strategies – potential operating company key progress indicators**
- Reduction of total GHG emissions (tCO₂e) in Scope 1, Scope 2 and Scope 3 relative to 2021 baseline.
- Energy consumption per subscriber.
- Total alternative energy sites.
- Total rural alternative energy sites.
- Radio Access Network (RAN) energy software activated to save power consumption.

**Power management**
- Rollout of intelligent power monitoring and management tool for MTN-owned and MTN-managed sites.
- Install smart meters and data collection solutions to manage demand and exception reporting.
- Optimise base transceiver station power-saving features to limit power demand.

**New genset technology, uninterruptible power supply and DC power**
- Ensure every operating company has explored new technology solutions for current genset lifecycle extension and new genset technology.
- Install UPS system to compensate for variations in the input supply as any irregularities will affect the load.
- Explore DC power systems to support inputs including multiple types of AC inputs and solar energy input. The system should give priority to solar energy when both grid and solar energy are available.

**Green battery technology**
- Explore battery technology, giving priority to iron phosphate solution, lithium nickel manganese cobalt and vanadium flow batteries.

**Energy as a service company (ESCO)**
- Identify which sites and operating companies’ energy will be outsourced to ESCOs.
- Contract ESCOs to provide energy that is based on the cleanest and cheapest sources.

**Innovative alternative grid/renewable power solutions**
- Identify partners with innovative, low-carbon and renewable energy solutions including on-site hydrogen generation, solar, wind, fuel cell and hybrid.
- Maximise output of the trigeneration plants.

**Cooling**
- Use of inverter air conditioning coupled with optimisation of temperature settings to reduce cooling run time and ensure efficiency.
- Investigate free cooling on-base transceiver station sites RAN modernisation.
- Optimise base transceiver station temperature settings.

**Facility consolidation**
- Maximise whitespace utilisation and minimise the footprint.
- Reduce power usage effectiveness.

*Project Zero – Examples of new technology RFPs issued or underway to enable greener and more efficient infrastructure.*
Our country highlights

**MTN South Africa** has been investing in renewable energy systems at its towers located in areas that lack access to the electric grid. The hybrid systems include small wind turbines, solar panels, and battery storage. As at 2021, the operating company has installed 30 off-grid renewable systems, reducing the need for fossil fuel-based electricity from the grid by generating 57kW in remote areas.

Additionally, MTN SA is generating 475MW of power through its independent power producer licence for trigeneration (making use of combined cooling heat and power technology) to support its building energy demand at three of its switching centres.

**MTN Cameroon**, in June 2022, announced plans to power its network infrastructure with solar energy. The agreement with the country’s Rural Electrification Agency (AER) will help MTN reduce its carbon footprint. The agreement will also help the country to meet its renewable energy goals (i.e. to increase renewable energy production in the country to at least 25% of total supply by 2035).

The AER coalition enables MTN Cameroon to further embed its ESG initiatives, such as rural connectivity, by taking action in building a sustainable and inclusive future for all.

**MTN Rwanda** launched *Green Rwanda* in December 2021 with the announcement that it had replaced 15% of its fleet with electric vehicles. The initiative will not only reduce emissions, but also reduce reliance on imported fuel, supporting Rwanda’s Green Growth and Climate Resilience Strategy 2050. With ESG at the core, MTN Rwanda continuously aims to leverage latest technologies and service partners to enable business sustainability via greater energy efficiencies, risk reduction and cost control. With its flagship data centre powered by solar energy with total capacity of 50kW, MTN Rwanda’s Project Zero initiatives delivers on improved services as it transforms its carbon emissions profile.
Partnering to reduce emissions throughout the value chain

Most of our emissions are not direct emissions from MTN-owned or MTN-controlled sources. In 2021, for example, approximately 15% of our emissions were from Scope 2 and nearly 80% of our emissions were Scope 3 emissions. Therefore, it is essential that we engage beyond our operations to reduce our impact. MTN believes in the power of partnerships. As a result, we have strengthened our commitment to reducing our total impact, by including Scope 3 emissions targets in Project Zero based on a 2020 materiality screening conducted in 2021. We will submit our Scope 3 targets for validation from the SBTi in 2022 as they are still to be determined. We also work with key TowerCo partners to ensure they are committed to Net Zero, which will, in turn, drive a reduction in MTN’s Scope 3 emissions.

In 2021, we called on our suppliers to:
• Set a science-based GHG-reduction target for their organisations and publicly communicate their commitment.
• Report progress on reducing GHG emissions using the CDP system and share emissions data at product and service level.
• Embed GHG emission reduction at both product development and service delivery level.
• Ensure their suppliers are aware of this call to action so that it can then be cascaded through their supply chain, actively building the capacity of local suppliers in the process.
• Support the Eco Rating of each device and actively support our activities to provide lifecycle product services to customers including trade-ins and recycling options.

The full letter is available at [link]

Embedding sustainability across our supply chain

As part of our sustainability responsibilities and commitments, we partner with the best ratings and rankers, such as the Joint Audit Cooperation (JAC), for our ESG weighting on KPIs. JAC is an association of telecommunications operators aiming to ensure that ESG best practices and audits are implemented across the global supply value chain of the Information and Communication Technology (ICT) industry.

The MTN Group Supplier Code of Conduct is a prerequisite for doing business with MTN. The Code commits the suppliers to respect and promote human rights and fair workplace practices, including environmentally sustainable business activities, equal opportunities and a zero-tolerance policy to bribery and corruption, which are the core sustainability principles for JAC. To ensure application and alignment to the Code, site audits are conducted under JAC, which represents more than 50% of the industry revenue. Among all the audits, 71% are conducted in tier 2, tier 3, and even tier 4 factories.

From 2010 to 2021, 812 on-site audits have been conducted by JAC, impacting lives and ensuring working conditions of 107 151 workers in 40 countries. MTN Group promotes ESG awareness and capacity building to educate our suppliers on our ESG policies and mechanisms in support of responsible business practices.
The Four Pillars continued

We focus on energy consumption and climate change continued

Driving circular economy

In 2018, MTN Group started the process of establishing a circular economy programme. The first phase was to run various proof-of-concept processes aimed at keeping resources in use for as long as possible; extracting the maximum value from them while in use and then recovering and regenerating products and materials at the end of each service life. After positive results from the proof-of-concept programme, Project Infinity was approved and is in the process of being operationalised through policy development workshops and training.

Project Infinity aims to enhance efficiency, conserve natural resources, reduce the amount of waste we produce and build resilience in our supply chain. The programme is complementary to Project Zero as the extension of product lifecycles contributes to avoiding emissions. Reusing instead of buying new avoids GHG emissions during the manufacture of new equipment, while recovering resources instead of wasting, through linear disposal, avoids GHG emissions during the mining and refining of resources.

In 2021, we made good progress in establishing a draft circular economy policy across our footprint, which guides our operating companies in adapting circular economy practices. The programme engages various departments throughout the Group towards our collective goal of reducing our negative impact.

As an example of one of our circular economy initiatives, we reuse 3G equipment in a different location when equipment is swapped out for newer 5G equipment. Reusing 3G equipment in a rural area, for example, reduces the cost of these technologies while avoiding emissions. These equipment swaps can take place within a country or even between our different operating companies. Trade rules and regulations around the sales of network equipment, such as radio antennas, require that we work closely with partners to create an environment where circular economy initiatives can become the norm.
Risk management

TCFD recommends that companies: (1) describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term; (2) describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning; and (3) describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

As the largest mobile network operator in Africa, MTN’s infrastructure and assets are exposed to the physical risks of climate change. There will also be risks and opportunities for the business as the African continent transitions to a low-carbon economy. We look to seize on these opportunities and mitigate potential risks by investing in energy efficiency and renewable energy projects or initiatives. MTN has already begun to adapt its business to the changing environment, both the physical environment as well as the changing market environment.

TCFD risk and opportunity framework

<table>
<thead>
<tr>
<th>Physical risks</th>
<th>Examples of climate-related risks</th>
<th>Examples of climate-related opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute</td>
<td>Increased severity of extreme weather events such as cyclones and floods</td>
<td>Use of more efficient modes of transport and product and distribution processes</td>
</tr>
<tr>
<td>Chronic</td>
<td>Changing weather patterns and rising mean temperature and sea levels</td>
<td>Use of recycling</td>
</tr>
<tr>
<td>Policy and legal</td>
<td>Increased pricing of GHG emissions</td>
<td>Move to more efficient buildings</td>
</tr>
<tr>
<td>Technology</td>
<td>Substitution of existing products and services with lower emissions options</td>
<td>Reduced water usage and consumption</td>
</tr>
<tr>
<td>Market</td>
<td>Changing customer behaviour</td>
<td>Use of new technologies</td>
</tr>
<tr>
<td>Reputation</td>
<td>Shifts in consumer preferences</td>
<td>Participation in carbon market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transition risks</th>
<th>Examples of climate-related risks</th>
<th>Examples of climate-related opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource efficiency</td>
<td>Use of lower-emission sources of energy</td>
<td>Use of supportive policy incentives</td>
</tr>
<tr>
<td>Energy source</td>
<td>Use of new technologies</td>
<td>Use of new products or services through R&amp;D and innovation</td>
</tr>
<tr>
<td>Products and services</td>
<td>Development and/or expansion of low emission goods and services</td>
<td>Development of climate adoption and insurance risk solutions</td>
</tr>
<tr>
<td>Markets</td>
<td>Access to new markets</td>
<td>Development of new products or services through R&amp;D and innovation</td>
</tr>
<tr>
<td>Resilience</td>
<td>Access to new assets and locations needing insurance coverage</td>
<td>Participation in renewable energy programmes and adoption of energy-efficiency measures</td>
</tr>
<tr>
<td></td>
<td>Resource substitutes/diversification</td>
<td>Resource substitutes/diversification</td>
</tr>
</tbody>
</table>
The Four Pillars continued

Risks and opportunities
MTN recognises that climate change has the potential to impact our business, as well as the communities that we serve. We are taking actions to understand and evaluate these risks, guided by the TCFD framework. The physical risks of climate change are a particular concern for MTN, as a large owner and operator of infrastructure assets spread across a diverse geographic footprint. We are also working to understand the potential opportunities in transitioning to a low-carbon economy and adopting clean energy technologies. We have already begun to integrate electric vehicles, solar, wind and battery storage into our operations. With more than 272 million customers across Africa and parts of the Middle East, MTN also has an opportunity to raise awareness about climate change and deliver products and services to help customers reduce their energy use and emissions.

### Physical risks of climate change

<table>
<thead>
<tr>
<th>Category</th>
<th>Risk</th>
<th>Impact</th>
<th>Mitigation strategies</th>
<th>Time horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical risks</strong></td>
<td>Acute and chronic</td>
<td>Increased frequency and severity of severe weather events (e.g. precipitation and flooding), rising temperatures, and increased wildfire risk</td>
<td>Forward planning can minimise physical risks in site selection (environmental surveys and impact assessments).</td>
<td>Short term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Severe weather conditions, flooding and wildfires can damage telecommunications infrastructure and equipment, while creating hazardous working conditions</td>
<td>Exposure analysis and flood vulnerability risk assessments are conducted to minimise exposure to damaging events.</td>
<td>Medium term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased cooling loads can increase energy costs</td>
<td>Periodic tower integrity checks and regular preventive maintenance, including corrosion painting, enhance the integrity and resilience of critical infrastructure.</td>
<td>Long term</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Certain sites also have diesel generators and back-up power options if there are power outages.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Policy and legal</td>
<td>Environmental legislation and regulations, and potential climate-related litigation</td>
<td>MTN complies with all applicable environmental regulations and continues to ensure that good ESG remains at the core value of the business. MTN is working to reduce its GHG emissions and MTN is collaborating with its suppliers and service providers to cut carbon emissions</td>
<td>Short term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Climate-related regulations and legislation may increase energy costs and could result in fines or litigation</td>
<td>MTN monitors changes in legislation and regulation in its markets.</td>
<td>Medium term</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In South Africa, for example, a Carbon Tax Act was implemented in 2019. Nigeria’s Climate Change Act of 2021 directs the development of a carbon tax.</td>
<td>Long term</td>
</tr>
<tr>
<td><strong>Transition risks</strong></td>
<td>Technology</td>
<td>Deploying new low-carbon technologies, including renewables, energy storage and electric vehicles</td>
<td>MTN has been testing and adopting new clean energy technologies to ensure that we maintain competitive and reliable service for our customers. For example, MTN is implementing and monitoring inclusion of Group Radio Access Network (RAN) software features for energy efficiency.</td>
<td>Short term</td>
</tr>
<tr>
<td></td>
<td>Market and reputation</td>
<td>Changing customer behaviour and changing market conditions can increase energy and raw material costs</td>
<td>MTN operating companies have been developing country-specific action plans to leverage the latest technologies and service partners to improve energy efficiency, reduce emissions and control costs.</td>
<td>Short term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Climate change, and the response to climate change, could affect supply and demand for certain commodities, products and services</td>
<td>MTN has also been actively engaging with our suppliers to address lifecycle emissions. Our climate change policies and practices impact our reputation. MTN conducts an annual Reputation Index Survey, which includes a measure of stakeholder perception on sustainability and climate change-related matters.</td>
<td>Medium term</td>
</tr>
</tbody>
</table>

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**Climate Report 2022**
Opportunities of climate change

<table>
<thead>
<tr>
<th>Category</th>
<th>Opportunity</th>
<th>Management resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Resource efficiency and clean energy sources</strong></td>
<td>The MTN Group Project Zero initiative includes energy management solutions, monitoring, measurements and focuses on GHG emission reduction. Project Zero seeks to leverage the latest technologies and service partners to enable business sustainability via greater energy efficiencies, low GHG emissions, risk reduction and cost control.</td>
</tr>
<tr>
<td></td>
<td>Improving efficiency can reduce operating costs and improve competitiveness, including energy-efficiency improvements, materials efficiency, transportation efficiency and waste management improvements</td>
<td>MTN manages waste impacts by applying the hierarchy of principles of first reducing the use of existing resources and reducing the procurement of new resources; secondly, reusing where feasible and safe; thirdly, refurbishing existing resources; and lastly, recycling resources. Employee awareness and support are critical to ensuring individual actions to conserve these resources result in meaningful outcomes.</td>
</tr>
<tr>
<td>Climate-related opportunities</td>
<td><strong>Products, services and markets</strong></td>
<td>The use of electronic systems for approvals and payments to reduce energy and paper consumption. Collaborate with industry suppliers to grow the knowledge base and in shaping future-fit skill solutions.</td>
</tr>
<tr>
<td></td>
<td>Development of networks, products and services that are low carbon and climate friendly. Supply chain decarbonisation knowledge gap and scarce resources</td>
<td>At MTN, we are committed to achieving Net Zero emissions by 2040 and a 47% reduction in emissions by 2030. Reducing our GHG footprint will mitigate climate risks by contributing to the global effort to reduce emissions and reducing our potential exposure to carbon regulation, while at the same time seizing the opportunities to reduce energy costs through efficiency gains and clean energy technologies. Subsequent to the detailed climate change risk analysis, we will be addressing our scenario-based climate risk assessment within the short to medium term.</td>
</tr>
</tbody>
</table>

Mitigating climate risks

Climate risk is a function of the specific climate-related risks and opportunities to which an organisation is exposed. Climate risk is also a function of an organisation’s strategic response to those future risks and opportunities. Is the organisation managing its risks and seizing potential opportunities? The TCFD guidance recommends that organisations describe their plans for transitioning to a low-carbon economy, including specific activities to reduce CHG emissions in their operations and value chain.

At MTN, we are committed to achieving Net Zero emissions by 2040 and a 47% reduction in emissions by 2030. Reducing our GHG footprint will mitigate climate risks by contributing to the global effort to reduce emissions and reducing our potential exposure to carbon regulation, while at the same time seizing the opportunities to reduce energy costs through efficiency gains and clean energy technologies. Subsequent to the detailed climate change risk analysis, we will be addressing our scenario-based climate risk assessment within the short to medium term.

With our strategic intent to lead digital solutions for Africa’s progress, we provide a diverse range of services, including fintech, digital and API. Our long-term approach is hinged on resilient strategies in digital platforms to mitigate the unpredictable impacts of climate change and lower our carbon footprint. Our 5G and fibre networks deployment in the near future will further increase energy efficiency in terms of energy consumption per traffic unit.
Risk management

Risk management is a set of processes, carried out by management and the Board, to support the achievement of the organisation’s objectives by addressing its risks and managing the potential impacts of those risks. TCFD recommends that organisations disclose their processes for identifying, measuring and managing climate-related risks, and how climate-related risks are integrated into the organisation’s overall risk management process.

MTN has an established group-level risk management framework that it relies upon to identify, prioritise and manage risks to the business. This includes risks related to the Company’s energy strategy, carbon footprint, climate change, extreme weather conditions and climate policies. Identified risks are incorporated into a risk register, including any mitigation measures and the action owner within the organisation. The risk register is compiled by a team of managers and reported to the Board on a quarterly basis. Risks are categorised as short term, medium term and long term.

The team has identified climate-related risks by reviewing published reports, engaging with the operating companies through workshop sessions and working with external consultants. We continue to explore options to better evaluate the likelihood and materiality of potential climate-related risks. At this stage, the assessments are more qualitative in nature. We have not modelled the potential financial impacts of different climate scenarios. However, we do incorporate climate risks into our enterprise risk management framework and engage with the local operating companies on these issues. We will continue to explore options for a more quantitative analysis.

1. Enterprise Risk Management (ERM) at MTN is a centrally driven strategy and process

2. Its objective is to ensure that management has the tools and techniques to identify threats and opportunities that impact strategic and operational objectives

3. Dedicated ERM resources are in place at Group and each Opco

4. Management Exco teams have risk management as a standing agenda item

5. Risk committees (and teams) at Group and Opco level drive the Ambition 2025 objectives of elevating ERM and internal control

6. The scope of ERM covers the full ambit of all MTN activities, which the principal risk universe seeks to capture
MTN manages environmental impact through an environmental management system and policy, which was reviewed in 2021 to align with the ISO 14001 standard. Aligning with the ISO 14001 standard ensures all policies, processes and procedures in our environmental management system are effective. Using the standard also assures internal management, employees as well as external stakeholders that environmental impacts are being measured and improved. Our environmental management position covers all significant risks and legal requirements across a broad range of environmental management categories, including our GHG emissions, waste, water, hazardous material management, as well as targets and objectives.

The policy is supported by a supplementary management practice document that outlines the minimum standards that operating companies are required to comply with, as well as a one-page policy summary to be displayed in offices across our footprint. The supplementary document and one-page policy summary will be shared with operating companies and all employees in 2022. This Group-wide policy will gradually align all our operations with international environmental best practices, which will ultimately enable all operating companies to obtain ISO 14001 certification. We will prioritise companies with higher environmental impacts for certification.

Physical risks to infrastructure
The eastern coast of South Africa suffered devastating storm damages in April 2022, with widespread flooding and landslides across the provinces of KwaZulu-Natal and the Eastern Cape. According to news reports, more than 400 people died as a result of the floods, which also destroyed more than 12 000 houses and forced an estimated 40 000 people out of their homes. The storm also caused widespread infrastructure damage and power outages at MTN sites. More than 500 MTN sites were affected, disrupting connectivity. Flooding and landslides damaged roads making it difficult to access sites and restore service. MTN SA activated contingency plans to restore service, as back-up batteries in many sites had depleted.

Climate scientists will generally not attribute a single storm event to climate change, but computer modelling suggests that climate change increased the likelihood of an extreme rainfall event in the region. Scientists also suggest that climate change can increase the intensity of a storm event. The April storms were the deadliest on record in South Africa.

MTN networks are the backbone of the business and they need to remain resilient for the benefit of customers and our communities.
Metrics and targets are used to assess and manage material climate-related risks and opportunities. The TCFD recommends that organisations disclose the metrics and targets they use to assess and monitor climate-related risks and opportunities, including their Scope 1, 2 and, if appropriate, 3 emissions.

MTN relies on a wide variety of metrics to measure its environmental and social performance. Iran is included in our sustainability reporting, with the exception of carbon management information, which is excluded based on our indirect ownership holding.

Our emissions profile
Our emissions profile, MTN’s Scope 1 and Scope 2 emissions, decreased by ~16% for 2021 compared to 2019. Scope 1 emissions decreased by 34% and Scope 2 emissions decreased by 8% for 2021 compared to 2019. These decreases can be attributed to a more refined and intensive carbon footprint data management process in 2021. Operating companies have also implemented carbon and energy reduction initiatives which attribute to the reductions in Scope 1 and Scope 2 emissions.

Year on year from 2019 to 2020, Base Transceiver Station (BTS) sites remain the largest contributor for Scope 1 and Scope 2 emissions, as they utilise a significant amount of electricity and diesel. The contribution has, however, decreased from 85.6% in 2019 to 71.7% in 2021. MTN outsources more than 50% of its BTS site operations which is allocated to Scope 3 emissions.

South Africa (59%) and Nigeria (10%) are the highest contributors for Scope 1 and Scope 2 emissions for 2021 as they are MTN’s two largest markets and have an extensive network coverage. The majority of MTN’s energy consumption is from electricity (51%) and diesel (46%) as these sources are predominately used in the BTS sites, buildings and data centres.

Measuring our GHG emissions
A key element in reaching Net Zero is establishing a baseline built on robust and accurate data from which to measure our GHG emission-reduction pathway across our operations. During the year under review, we reassessed and updated our baseline year to use 2021 as the baseline year against which our Group progress will be measured and tracked. By using the 2021 GHG emissions as our baseline, our target becomes more ambitious and puts us in a better position to achieving Net Zero by 2040. We also undertook a Scope 3 materiality assessment in 2021 to better understand the emissions across our value chain and improve our Scope 3 emissions reporting and understanding. In addition, a more rigorous audit process will be done on all findings to promote veracity and ensure accountability. Moving forward, we will perform bi-annual emission measurements that will support operations in measuring and tracking progress towards targets.

Science-based targets
MTN has committed to achieving Net Zero emissions by 2040 and a 47% absolute reduction in Scope 1, 2 and 3 emissions by 2030. MTN has joined more than 2 000 businesses and financial institutions working with the SBTi to reduce our emissions in line with climate science and helping to halve global emissions by 2030. MTN Group’s targets for Scope 1, 2 and 3 will be submitted to SBTi for validation in 2022.

Read more about it:
MTN’s target setting was informed by target-setting guidance for the ICT sector developed through a collaboration between the Global Enabling Sustainability Initiative (GeSI), the GMSA, the International Telecommunication Union and the SBTi.

MTN has also submitted its targets for validation by SBTi in 2022. SBTi is a partnership involving the UNGC, the World Resources Institute, CDP and the Worldwide Fund for Nature. SBTi encourages companies to set targets in line with the Paris Agreement.

Other metrics
In addition to our GHG emissions, MTN also tracks and reports additional metrics, or KPIs, specific to mobile operators. These additional metrics are recommended by the GRI and the Sustainability Accounting Standards Board. The KPIs help companies to identify and manage emerging opportunities and risks, while demonstrating to stakeholders how their corporate purpose is brought to life. Additionally, the framework creates an opportunity for the industry to reinforce its environmental and social impact by aligning operators around the same guiding KPIs.

We recognise that by focusing on ESG and addressing global challenges, such as climate change, we can build resilience and drive long-term value creation. MTN also acknowledges the need to provide information consistently and diligently on these material topics such as energy consumption, responsible procurement and supply chain, digital inclusion, water and waste management in addition to GHG emissions reporting.

The Board of Directors works closely with the management team to develop an informed view of MTN’s key short and long-term business risks, including climate-related risks and opportunities. MTN’s management team is organised into functional groups with responsibility for specific issues. To this end, we have linked 2022 executive remuneration for short-term incentives and long-term incentives to ESG with a focus on Net Zero, diversity and inclusion and the expansion of rural broadband.

### ESG pillar

<table>
<thead>
<tr>
<th>Flagship programme/indicators</th>
<th>Group-wide long-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eco-responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>Project Zero</td>
<td>47% reduction of Scope 1 and Scope 2 emissions by 2030 and Net Zero by 2040.</td>
</tr>
<tr>
<td>Water and waste management</td>
<td>Water and waste management baseline.</td>
</tr>
<tr>
<td><strong>Sustainable societies</strong></td>
<td></td>
</tr>
<tr>
<td>Cost to communicate</td>
<td>Maintain or reduce entry bundle to 1G bundle price ratio.</td>
</tr>
<tr>
<td>3G rural coverage</td>
<td>% population covered.</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>50% women representation in overall workforce by 2030.</td>
</tr>
<tr>
<td><strong>Sound governance</strong></td>
<td></td>
</tr>
<tr>
<td>Reputation Index Survey</td>
<td>Meet or exceed 75% Reputation Index Survey score.</td>
</tr>
<tr>
<td>Responsible policies and practices</td>
<td>Business ethics, enterprise-wide risk management, Board effectiveness and diversity, disclosures and others.</td>
</tr>
<tr>
<td>Digital human rights</td>
<td>Meet or exceed Ranking Digital Human Rights Corporate Accountability Index score against 2020 baseline.</td>
</tr>
<tr>
<td><strong>Economic value added</strong></td>
<td></td>
</tr>
<tr>
<td>Advancing economic value added</td>
<td>Value to society measured by true value assessment. Contribution to society through ICT: digital education, skills and jobs.</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td></td>
</tr>
<tr>
<td>ESG ratings and ranking</td>
<td>Meet or exceed MTN’s ESG rating score in the top three leading sustainability rankings and indices.</td>
</tr>
</tbody>
</table>

### 2021 Ambition

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions reduction (vs 2019 scope 1 and 2)</td>
<td>~16%</td>
<td>47% average reduction target by 2030 and Net Zero by 2040.</td>
</tr>
<tr>
<td>Rural broadband</td>
<td>~83%*</td>
<td>95%* coverage by 2025.</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>39%*</td>
<td>50%* women representation by 2030.</td>
</tr>
</tbody>
</table>

* Re-baselining scope 1 and 2 emissions.  
* % of population covered by 3G.  
* Women representation in overall workforce.  

Climate Report 2022
Road ahead

As the impacts of climate change become increasingly visible around the world, we believe in the benefits of a healthy planet.

We have a role to play in Africa and the Middle East to contribute meaningfully on much-needed actions to mitigate the impact of climate change, that is why we are committed to achieving Net Zero emissions by no later than the end of 2040.

MTN is committed to sharing our progress and experiences throughout our sustainability journey on the Road to Zero. There will be challenges ahead, but we are optimistic about the future and the opportunities afforded in the markets where we operate. With our governance structures focused on climate change and a robust risk management approach, we are committed to responsibly managing the evolving challenges of climate change.

Our priorities going forward include:

- Embedding our strategy throughout our organisation, as we implement our Project Zero approach.
- Securing verification of our emission reduction targets by the SBTi and tracking our progress against our goals.
- Continuously identifying more green and clean infrastructure technologies and suppliers.
- Continuously engaging our suppliers and partners on Scope 3 and our road to Net Zero.
- Continuously improving and refining our governance structures and procedures.
- Ensuring that we continue to evolve our approach to climate risk assessment.
- Continuing to expand and improve our climate disclosures.

We remain determined to ensure that our growth and success do not come at the expense of the future of our planet. We are excited about the next chapter in MTN’s story and look forward to working in collaboration with our partners to deliver on our strategy, and in particular to reduce overall emissions.

Stay up to date on our progress
Visit our sustainability page:
## Environmental indicators performance

### Doing for our planet

<table>
<thead>
<tr>
<th>Material topic</th>
<th>Description</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy consumption</strong></td>
<td>Total alternative energy sites</td>
<td>Number</td>
<td>3,005</td>
<td>2,435</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total rural alternative energy sites</td>
<td>Number</td>
<td>4,831</td>
<td>3,937</td>
<td>2,276</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total solar only rural alternative energy sites</td>
<td>Number</td>
<td>2,861</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fuel consumption</strong></td>
<td>Diesel</td>
<td>GJ</td>
<td>15,858,388</td>
<td>13,540,662</td>
<td>16,315,508</td>
<td>13,257,391</td>
<td>13,699,077</td>
</tr>
<tr>
<td></td>
<td>Other (Petrol, LPG, cooling and natural gas)</td>
<td>GJ</td>
<td>254,616</td>
<td>165,573</td>
<td>199,585</td>
<td>288,452</td>
<td>457,539</td>
</tr>
<tr>
<td><strong>Waste generated</strong></td>
<td>Green office</td>
<td>tonnes</td>
<td>16.04</td>
<td>31</td>
<td>784</td>
<td>272</td>
<td>216</td>
</tr>
<tr>
<td></td>
<td>E-waste</td>
<td>Kg</td>
<td>30,084</td>
<td>18,353</td>
<td>2,477</td>
<td>225</td>
<td>1,617,685</td>
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<tr>
<td></td>
<td>Paper use avoided</td>
<td>Kg</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Electricity savings: non-technical operations</td>
<td>kWh</td>
<td>139,000</td>
<td>49,492</td>
<td>1,059,129</td>
<td>477,723</td>
<td>807,181</td>
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<tr>
<td></td>
<td>Potable water savings</td>
<td>kl</td>
<td>Not reported</td>
<td>2,112</td>
<td>Not reported</td>
<td>86</td>
<td>144,000</td>
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<tr>
<td><strong>Supply chain</strong></td>
<td>Supply chain management</td>
<td>Number</td>
<td>1,185</td>
<td>1,076</td>
<td>1,670</td>
<td>1,197</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td>Supplier endorsement of supplier code of conduct</td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers prequalified following due diligence (total suppliers assessed)</td>
<td>Number</td>
<td>1,185</td>
<td>1,076</td>
<td>1,197</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers monitored or audited</td>
<td>Number</td>
<td>1,237</td>
<td>847</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Suppliers trained on ethics and fraud management</td>
<td>Number</td>
<td>670</td>
<td>453</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Suppliers approved for sourcing activities</td>
<td>Number</td>
<td>1,175</td>
<td>835</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Suppliers not approved* for sourcing activities</td>
<td>Number</td>
<td>62</td>
<td>12</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Supplier engagement</strong></td>
<td>Suppliers reporting in line with the CDP</td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Supplier spend covered by suppliers with SBTi targets</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers with set targets</td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers’ subcontractors taking action on climate change</td>
<td>Number</td>
<td>88</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group-wide suppliers pledged to MTN’s road to Net Zero strategy to reduce Scope 3 emissions</td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

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**Climate Report 2022**
MTN GROUP LIMITED
Incorporated in the Republic of South Africa
Company registration number: 1994/009584/06
ISIN: ZAE000042164
Share code: MTN

Board of directors
MH Jonas*
KDK Mokhele*
RT Mupita1
TBL Molefe1 (appointed 1 April 2021)
NP Gosa* (appointed 1 April 2021)
CWN Molope* (appointed 1 April 2021)
PB Hanratty2*
S Kheradpir3*
SN Mabaso-Koyana*
SP Miller4*
NL Sowazi*
BS Tshabalala*
SLA Sanusi5*
VM Rague6*
1 Executive
2 Irish
3 American
4 Belgian
5 Nigerian
6 Kenyan
* Independent non-executive director

Group Company Secretary
PT Sishuba-Bonoyi
Private Bag X9955, Cresta, 2118

Registered office
216 – 14th Avenue
Fairland
Gauteng, 2195

American depositary receipt (ADR) programme
Cusip No. 62474M108
ADR to ordinary share 1:1

Depository: The Bank of New York Mellon
101 Barclay Street, New York NY, 10286, USA

MTN Group sharecare line
Toll free: 0800 202 360 or +27 11 870 8206
if phoning from outside South Africa

Transfer secretaries
Computershare Investor Services
Proprietary Limited
Registration number 2004/003647/070
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Joint auditors
PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City, Jukseki View,
Johannesburg, South Africa, 2090

Ernst & Young Inc.
102 Rivonia Road, Sandton, Johannesburg,
South Africa, 2146

Lead sponsor
Tamela Holdings Proprietary Limited
Ground Floor, Golden Oak House,
35 Ballyclare Drive, Bryanston, 2021

Joint sponsor
JP Morgan Equities (SA) Proprietary Limited
1 Fricker Road, cnr Hurlingham Road,
Illovo, 2196

Attorneys
Webber Wentzel
90 Rivonia Road, Sandton, 2196
PO Box 61771, Marshalltown, 2107

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E-mail: sustainability@mtn.com
Website: http://www.mtn.com
Date of release: 23 August 2022

Forward looking information
Opinions and forward looking statements expressed in this report represent those of
the Company at the time. Undue reliance should not be placed on such statements and
opinions because by nature, they are subjective to known and unknown risk
and uncertainties and can be affected by other factors that could cause actual results and
Company plans and objectives to differ materially from those expressed or implied in
the forward looking statements.

Neither the Company nor any of its respective affiliates, advisers or representatives
shall have any liability whatsoever (based on negligence or otherwise) for any loss
howsoever arising from any use of this report or its contents or otherwise arising in
connection with this presentation and do not undertake to publicly update or revise
any of its opinions or forward looking statements whether to reflect new information
or future events or circumstances otherwise.

Mapping our SDG impact
In 2021, MTN Group implemented an SDG prioritisation tool to determine the SDGs and
SDG Ambition Benchmarks on which we could deliver the biggest impact, while creating
business value. It considers three dimensions – impact potential, strategic alignment
and risk management potential – for which scores are attributed against defined
qualitative criteria. The tool considers various internal and external assessments such
as our risk register and industry research. It also incorporates stakeholder views
collected through surveys, workshops and materiality assessments. The results are
then refined to ensure alignment with our strategy.