MTN Group Limited

Climate Report for the year ended 31 December 2023

Leading digital solutions for Africa's progress

Doing for planet

Our purpose is to enable the benefits of a modern connected life for everyone

Inside this report

Our reporting suite

Our Climate Report is supplemented by a number of reports that provide a comprehensive view of MTN's performance and prospects covering financial, risk management and environmental, social and governance (ESG) aspects. These reports go beyond traditional financial reporting by integrating sustainability and non-financial information.

Integrated Report

IR

Our primary communication to stakeholders aims to help them make informed assessments of our performance and prospects, strategic direction and the value we create through our activities. It provides a forward looking perspective on MTN's financial and non-financial performance, encompassing strategy, risks and opportunities, targets and governance.

Sustainability reporting

The following suite of reports provides information on MTN's strategy and performance related to sustainability issues with potential impact on our organisation, society and the environment. The reports detail MTN's environmental and social policies, governance, strategies, risks and opportunities. The reports also provide detailed performance data on a wide range of ESG metrics and targets. MTN's sustainability disclosures are structured and informed by the voluntary Global Reporting Initiative (GRI) Standards (2021) and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and IFRS S2), which have fully integrated the Task Force on Climate-Related Financial Disclosures (TCFD) guidance. The reports detail MTN's policies, governance strategies, risks and opportunities relating to sustainability considerations.

SR Sustainability Report

ESG ESG Data Booklet

TR Transparency Report

CR Climate Report

Regulatory and reporting frameworks used:

IFRS | Companies Act | JSE | GRI | KING IV | UN GLOBAL COMPACT | B-BBEE Act

Amended Financial Sector Code (FSC) | SUSTAINABLE DEVELOPMENT GOALS | INTEGRATED REPORTING | EQUATOR PRINCIPLES | GSMA | SASB STANDARDS Now part of IFRS Foundation | ESG Matrix for Mobile

Financial reporting

These reports include an analysis of the Group's financial results, a five-year review, and MTN's approach to handling uncertain tax positions. They provide insight for current and prospective investors, employees, creditors, analysts and other stakeholders. They disclose details of MTN's income statement, financial position, cash flows, performance per share, as well as key non-financial information.

AFR Annual Financial Results

AFS Annual Financial Statements

TAX Tax Report

5-YR Five-Year Review
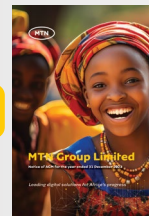
Information for shareholders

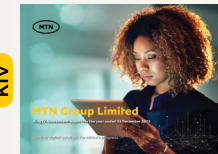**AGM**

The Notice of AGM and form of proxy give information to shareholders who want to participate in the Group's Annual General Meeting (AGM).

Notice of AGM

KIV

This provides a summary of the application of the King IV™ principles by MTN Group Limited and Mobile Telephone Networks Holdings Limited.

King IV Assessment Report

Navigating this report

Throughout our Climate Report, we use the following icons to show the connectivity between our material matters, primary SDGs and creation of shared value.

Material matters

MM 1 Geopolitical and macroeconomic conditions

MM 2 Complex regulatory and tax environment

MM 3 Network and platform performance

MM 4 Financial resilience

MM 5 De-layering of the telecommunications business model

MM 6 Greater focus on ESG

MM 7 Future-fit skills and culture

MM 8 Cybersecurity and digital safety

MM 9 Governance, ethics and risk management

MM 10 Artificial intelligence

Other icons and acronyms

ESG remains **at the core** of our strategy. This aligns with our work to advance the United Nations **Sustainable Development Goals (UNSDG)** 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.

Our primary UNSDG contribution areas for shared value creation

Key indirect opportunities exist in the following SDGs

Throughout this report we use the * symbol:

* Constant currency after taking into account pro forma adjustments. These are the responsibility of the directors and have been reviewed by our external joint auditors

Other icons:

LA Limited assurance obtained

www.mtn.com

ISSB International Sustainability Standards Board

SR Sustainability Report

ESG ESG Data Booklet

Frequently used acronyms

CCRA	Climate change risk assessment
ESG	Environmental, social and governance
GHG	Greenhouse gas
GSMA	Global System for Mobile Communications Association
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
KPI	Key performance indicators
Opcos	Operating companies
SBTi	Science-based Targets initiative
TCFD	Task Force on Climate-Related Financial Disclosures
UNSDG	United Nations Sustainability Development Goals

The forward looking financial information disclosed in this Climate Report has not been reviewed or audited or otherwise reported on by our external joint auditors.

About this report

Welcome to MTN's Climate Report 2023, reflecting on our 2023 climate actions and progress. Aligned with our Group environmental strategy, climate change is a key priority for MTN as we manage our operations. We are committed to sharing our approach to climate change as well as the successes and challenges in transitioning to Net Zero emissions.

Context and purpose of this report

In line with the Paris Agreement, MTN has set an ambitious goal to achieve Net Zero greenhouse gas (GHG) emissions by 2040, 10 years ahead of industry guidelines. With a base year of 2021, we aim to achieve a 50% reduction in operational emissions by 2030, with a long-term target of Net Zero emissions by 2040. In 2021, we signed a pledge with the Science-based Targets initiative (SBTi) which formally commits the MTN Group to achieve Net Zero emissions by 2040. In 2023, we had our interim targets formally validated by SBTi to ensure they are aligned with the latest climate science. In 2022, we issued our first Climate Report aligned with the recommendations of the TCFD. This report is MTN's third TCFD-aligned Climate Report, highlighting our comprehensive approach to climate change risks and opportunities. The purpose of this report is to provide our stakeholders with insight into our climate change efforts. We unpack the report in terms of governance, strategy, risk management and conclude with our metric and targets.

Reporting on other sustainability topics

In addition to our Climate Report, MTN publishes a corporate sustainability disclosure addressing other environmental, social, and governance (ESG) topics: **SR** .

Developments in climate reporting

In June 2023, the International Sustainability Standards Board issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, providing a consolidated standard for sustainability-related disclosures worldwide. In addition, the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD. IFRS S1 and IFRS S2 fully incorporate the recommendations of the TCFD, marking the culmination of the work of the TCFD. To support the widespread adoption of the new investor-focused standards, MTN has committed to begin the journey of adopting these standards throughout our organisation.

While recognising the complexity of understanding sustainability-related risks and opportunities as required by IFRS S1, we have already established robust processes around the TCFD in previous years. Leveraging these capabilities, we have opted to report against IFRS S2, to the extent possible, instead of TCFD, as the requirements of IFRS S2 align with the core elements of TCFD.

While we have initially prioritised the application of IFRS S2, we acknowledge the need to apply both standards in conjunction and will provide more clarity regarding the timing of our disclosures against IFRS S1 during the year ahead.

MTN is committed to this journey, with the aim of enhancing our understanding of sustainability-related risks and opportunities and achieving full compliance with the disclosures required by IFRS standards.

Core elements of recommended climate-related financial disclosures

Governance
The company's governance with regard to 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 process 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

Feedback

We welcome feedback on this report and are committed to engaging with our stakeholders about our performance and sustainability efforts. Please address all feedback to Group Sustainability: sustainability@mtn.com

We aim to achieve
Net Zero emissions
by 2040

Who we are

Our purpose is to enable the benefits of a modern connected life for everyone

MTN is a pan-African digital operator providing a range of critical voice, data, fintech, digital, enterprise and wholesale services to around 295 million customers in 19 markets. Our **purpose** is embodied in our belief statement that *everyone deserves the benefits of a modern connected life*. Our **strategic intent** is *leading digital solutions for Africa's progress*.

MTN Group Limited is a publicly owned entity whose shares are traded on the JSE. At the end of 2023 our market capitalisation was approximately R209 billion (US$11.4 billion). Subsidiaries MTN Nigeria, MTN Ghana, MTN Uganda and MTN Rwanda are listed on the Nigerian Exchange Ltd, the Ghana Stock Exchange, the Uganda Securities Exchange and the Rwanda Stock Exchange, respectively.

Ambition 2025: Leading digital solutions for Africa's progress

Build the largest and most valuable platforms

Drive industry-leading connectivity operations

Create shared value

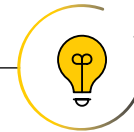**Accelerate portfolio transformation**

Enabled by our values:

Lead with **Care** | **Collaborate** with **Agility** | **Act** with **Inclusion** | **Can-do** with **Integrity** | **Serve** with **Respect**

Creating value for all

We create value for our stakeholders across our footprint by living our **purpose** and belief as well as progressing our **strategic intent**

MTN achieved an
10.9%^
reduction in Scope 1 and 2 emissions from base-year emissions (excluding MTN SA whose performance is impacted by the IHS transaction)
^Reflects quarter 4 adjustments.

28%
women in leadership

Enabled internet access to
150m
(2022: 137m)
active data users

Maintained female representation at
40%

Facilitated financial inclusion to
72m
(2022: 69m)
active MoMo users

Empowered
17 569
MTNers

Extended digital inclusion to
36m
(2022: 22m)
ayoba users

Connected
295m
(2022: 289m)
subscribers

Provided broadband coverage to
89.2%
(2022: 88%)
of the population

Added economic value of
~R159bn
(2022: R149bn)
across our markets

Who we are continued

Our climate change journey

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

1998
MTN became **first cellular network in Africa to receive ISO 14001 rating** for environmental management

CERTIFIED
ISO14001

2002
MTN **installed a solar-powered payphone** on Lake Victoria for local fishermen.

2004
MTN is listed in UNEP's **Global Top 50** companies for sustainability reporting.

UN environment
United Nations Environment Programme

2003
MTN published its first Sustainability Report.

2010
MTN completed our initial **Carbon Disclosure Project Report** and committed to the 2010 **Cancun Communiqué** on **Climate Change declaration.**

2011
MTN placed in **Top 250 Companies in the World** in 2011 Newsweek Green Rankings for **Positive Environmental Impact Management** (listed 123rd).

2012
MTN became a **United Nations Global Compact (UNGC) signatory.**

MTN is listed among Newsweek's Green Rankings top 250 companies globally for positive environmental impact.

UN GLOBAL COMPACT

2016
MTN aligned with the **United Nations' Sustainable Development Goals** (SDG), assessing where we can play a meaningful role.

SUSTAINABLE DEVELOPMENT GOALS

2014
MTN completed our initial **Carbon Disclosure Project report** and committed to the **2010 Cancun Communiqué** on **Climate Change declaration.**

MTN unveils Africa's first solar data centre cooling system at MTN SA.

2020
MTN linked **ESG key performance indicators (KPI)** to executive remuneration for climate change.

2021
MTN signed a pledge with the SBTi, **committing the Group to our Net Zero ambition.**

MTN linked executive remuneration to **ESG targets with a focus on Net Zero, diversity and inclusion,** and the expansion of broadband coverage.

2022
MTN Group named Nkululeko Sowazi as the designated climate change Board member.

MTN becomes a **TCFD** supporter, endorsing its recommendations on climate-related risks and opportunities.

Joined Joint Audit Co-operation and Global Enabling Sustainability Initiative (GeSI) to promote technologies and practices that foster ESG within our supply chain.

2023

SBTI completes validation of MTN GHG emission targets for Scope 1, 2 and 3.

Climate Risk Assessment MTN pilots approach for evaluating physical climate risks across a range of assets.

Project Zero Construction underway of large solar park at MTN's headquarters in Johannesburg, South Africa.

CDP Reporting MTN scores a "B" for its climate disclosure.

A message from the Group President and CEO

> **Building a modern and connected future also means building a greener one. We continue to implement Project Zero with more energy efficiency and clean energy solutions. By harnessing digital and financial inclusion, we create solutions that empower Africa and protect our planet.**
>
> **Ralph Mupita**
> Group President and CEO

Climate change continues to leave its mark on Africa with record-breaking climate events across the continent in 2023. Torrential rains and extreme flooding destroyed homes and businesses in several countries, resulting in loss of life and forcing people from their homes, damaging infrastructure and destroying crops and livestock. Tropical Cyclone Freddy, which left a path of destruction, persisted for a record 34 days. In the Horn of Africa, record drought has turned arable land to dust, resulting in crop failure and widespread water scarcity. Researchers believe climate change is increasing the frequency and intensity of extreme weather events and Africa continues to carry the burden of climate change impacts. Africa contributes just 4% of global carbon emissions. Yet, the continent remains highly vulnerable to the impacts of climate change.

MTN is proud to be partnering with Tomorrow.io and Microsoft to provide critical early warning data to populations across Africa. This innovative programme, leveraging our unique strengths and capabilities, has the potential to save lives and help communities better respond to extreme storm events. We are also proud to report that MTN has been advancing its climate change strategy on multiple fronts. The SBTi approved MTN's GHG reduction targets in 2023 leveraging a 2021 baseline. Our ambitious long-term goal is to achieve Net Zero emissions by 2040. We continue to implement Project Zero with more energy efficiency and clean energy investments, reducing our reliance on fossil fuels. MTN set aside more than R700 million in 2023 for Project Zero investments. MTN attended COP28, highlighting the enabling role of technology in climate action solutions. We also advanced our efforts to evaluate and adapt to the physical impacts of climate change with our Climate Risk Assessment pilot project.

Mobile networks rely on a consistent, reliable supply of energy to keep our customers connected. In the face of ongoing loadshedding and grid instability, we were required to use our diesel backup generators to ensure delivery to customers, impacting our climate change targets and financial performance. South Africa experienced more than 300 days of loadshedding in 2023.

Our business model has also been shifting, impacting our Net Zero strategy. MTN has increased the number of leased tower sites within its portfolio; these are sites for which we do not have direct operational control e.g., MTN SA and IHS transaction. We have, however, been working with our partners and suppliers to reduce their carbon footprints (which are part of MTN's indirect emissions), and we continue these engagement efforts. We continue to focus on operational efficiency, greener energy solutions and circular economy strategies to decouple our subscriber growth from our carbon emissions.

Our *Ambition 2025* strategy is built on the belief that everyone deserves the benefits of a modern, connected life. This belief fuels our commitment to a sustainable and inclusive world enabled by our 'Doing for planet' actions towards protecting our Earth.

Our commitment to you, our valued stakeholders, is that we will not waver in our efforts to deliver on our climate promises. We will continually face setbacks and obstacles as we chart our path to Net Zero, and we invite you to join us through the highs and lows of this journey. Thank you for your ongoing support and belief in our vision. Together, we can create a sustainable and inclusive world.

Sincerely,

Ralph Mupita
Group President and CEO

Sustainability strategy framework

MTN is committed to harnessing Africa's potential and advancing progress by unlocking the full potential of the digital world. Creating shared value is a crucial pillar of our *Ambition 2025* strategy, and we have an authentic belief in our responsibility to create a more sustainable and inclusive world. Our sustainability strategy is supported by a four-pillar framework that aims to create shared value through responsible ESG practices while creating economic value across our footprint. By centring our sustainability strategy on ESG principles, we ensure it is flexible enough to withstand macroeconomic headwinds and prioritise material issues as these emerge.

Climate change fits within our broader sustainability strategy

Strategic intent

Belief statement

Ambition 2025: *Leading digital solutions for Africa's progress*

Everybody deserves the benefits of a modern, connected life

Doing for planet	Doing for people	Doing it right	Doing for growth

Commitments

Eco-responsibility	Sustainable societies	Sound governance	Economic value added
We are committed to protecting our planet and achieving Net Zero emissions by 2040	We are committed to driving digital financial inclusion and diverse society	We are committed to partners and stakeholders to create and protect value	We are committed to boosting inclusive economic growth on the continent

Metrics and actions

• **Project Zero:** Reduce GHG emission • **Efficiency:** Improve energy efficiency • **Water and waste management:** Reduce our impact	• **Increase access and reduce cost to communicate** • **Increase financial inclusion** • **Generational equality: Increase women representation** • **Contribute through information and communication technology (ICT):** Digital education, skills and jobs	• **Responsible policies and practices:** Business ethics and enterprise-wide risk management • **Enhance reputation and trust with stakeholders** • **Digital human rights (DHR)** • **Responsible procurement and supply chain**	• **Tax contribution across markets** • **Network infrastructure investment** • **Empower local governments and enterprises**

UNSDGs

*2023 performance metrics are available in **ESG** *data booklet*

We believe true progress can be achieved only through action, and we centre our sustainability strategy on the question: What are we doing today?
• Each sustainability pillar is complemented by policies and procedures to reinforce our commitment and facilitate implementation by our operating companies (Opcos).
• Our most material focus areas are linked to clear targets and measurable performance indicators while we continue to manage and measure our remaining ESG matters.
• Our sustainability performance is monitored by the Board's Social, Ethics and Sustainability Committee, and our sustainability mandate and integration is reflected across all Board committees.
We monitor our ESG performance and continuously work to contribute to solutions that will build an inclusive, connected and sustainable future.

Key accomplishments: 2023

Governance

- MTN published its second TCFD-aligned Climate Report in 2023.

- MTN achieved a B rating for its 2023 CDP Climate Change Report, with an A rating for its climate change governance.

- MTN's Sustainalytics ESG rating decreased by two points to a score of 45 in 2023, compared to 47 in 2022.

Strategy

- The Board of Directors approved the MTN Group environmental strategy.

- In May 2023, MTN Group was named by Brand Africa as the number one African brand that is doing good for people, society and the environment in a new category of its annual awards.

- MTN has developed customised strategies to achieve Net Zero emissions by 2040 for our top eight markets with best practices shared across the footprint.

Risk management

- MTN continued to advance its risk assessment pilot project across key geographies to better understand the physical risks of climate change.

- The risk assessment pilot project has progressed to consider potential risk mitigation strategies across a range of asset types.

- MTN enhanced proactive management of ESG-specific risks using the Group's risk management framework.

Metrics and targets

- MTN achieved an 10.9%* reduction in Scope 1 and 2 emissions from base-year emissions (excluding MTN SA whose performance is impacted by the IHS transaction).

- MTN achieved a 42.1% reduction in Scope 1 and Scope 2 emissions from base-year emissions, including MTN SA. This is, in part, owing to the sale of base transceiver station (BTS) sites.

- MTN has expanded its ESG reporting suite with a new approach to its data disclosure.

- MTN has begun to evaluate the IFRS S2 disclosure standards to understand how it can further align its climate disclosures.

* Reflects quarter 4 adjustments.

Our operating context through a green lens

Last year was the warmest on record and companies across the globe are increasingly focused on their sustainability performance. For the mobile sector, this means heightened attention on energy use and emissions, resilience to changing climate conditions and other ESG priorities, like human rights and safeguarding natural systems. As Africa continues to struggle with the impacts of climate change, we are focused on our customers and communities and the solutions we can bring aligned to *Ambition 2025*.

Global sustainability trends

2023 witnessed global sustainability trends that signified a focus on supporting organisations in achieving their sustainability goals. Evolving disclosure standards are converging towards a more unified framework. This alignment simplifies compliance for organisations and promotes consistency in reporting. A key trend is the increased scrutiny on supply chains, with an emphasis on reporting and reducing Scope 3 emissions. This reflects a widening awareness for organisations beyond their own operations. Companies are adopting a more holistic approach, considering the broader environmental impact of their activities. Additionally, there's a growing emphasis on the quality of actions taken towards environmental commitments, moving from focusing solely on the Net Zero target.

Mobile sector environmental matters

The GSMA highlighted 2023 environmental material matters and upcoming trends relevant to our sector. Environmental-specific material matters that were emphasised included circular economy, climate change adaptation, climate change mitigation and sustainable supply chain management, in addition to products and services that benefit the environment.

On the horizon for mobile networks operators, the following issues are expected at the forefront for environmental management: biodiversity; network disruptions and disaster response; resource use and material scarcity; and water management.

The environmental material matters and upcoming trends noted by the GSMA align with environmental challenges currently facing Africa. The interconnected nature of these environmental issues compounds the complexity of driving sustainable solutions. The impact of climate change and the contribution from energy remain a pressing issue globally and for Africa's mobile sector. Africa's contribution to climate change is comparatively minimal, yet we are the most vulnerable continent and must contend with a significant energy disparity.

African context

Mobile networks in sub-Saharan Africa require clean and reliable energy to deliver connectivity and digital transformation. With less than 1% fixed broadband penetration, mobile connectivity is essential. Energy and connectivity disruptions have negative socioeconomic impacts and maintaining connectivity under these operating conditions is costly. Simultaneously, the region faces an energy gap with half the population lacking access to power and current supply dominated by fossil fuel-based energy sources.

To address emission reductions and adapt to climate impacts, African countries have established the Nationally Determined Contribution (NDC). For our Opcos, their country's NDCs and national priorities offer an opportunity to expand mobile access and support clean energy through deeper collaboration between public and private sectors.

Increased stakeholder engagement between mobile network operators, governments and energy companies can accelerate mobile connectivity and the deployment of clean energy solutions across the region. Recognising the diverse social, economic and energy landscapes of our operating footprint, tailored policy, and financing and technological approaches are crucial for an inclusive and sustainable future.
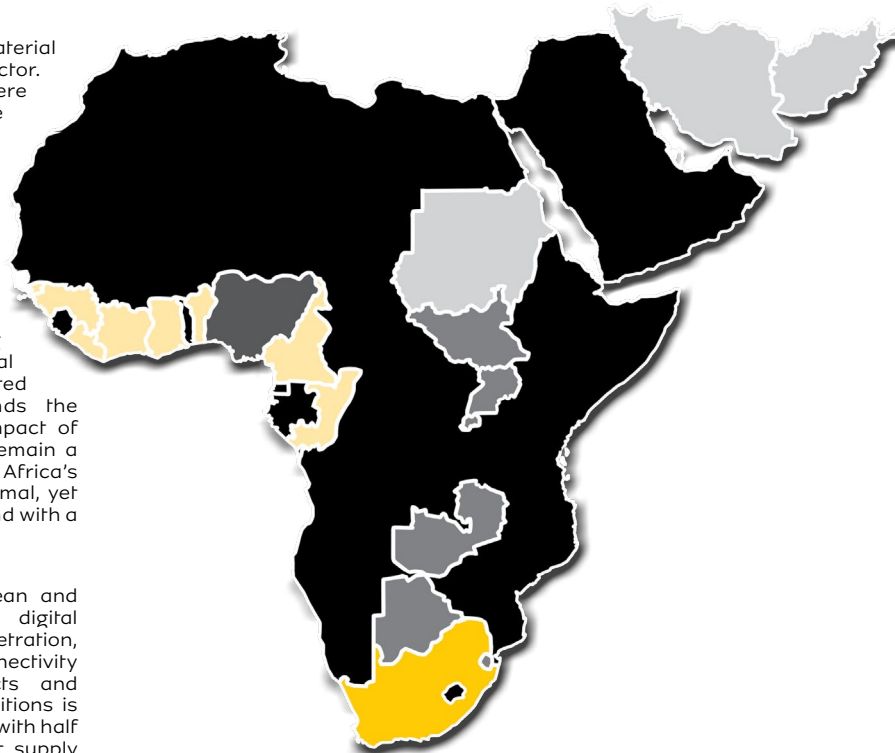
Our portfolio at 31 December 2023
(MTN Group effective shareholding)

MTN South Africa	**100.0%**
MTN Nigeria ▲	**76.3%**
SEA	
MTN Uganda ▲	83.1%
MTN Rwanda ▲	80.0%
MTN Zambia ▲	89.8%
MTN South Sudan	100.0%
Mascom Botswana Δ	53.1%
MTN eSwatini Δ	30.0%
WECA	
MTN Ghana ▲#	81.0%
MTN Cameroon	80.0%
MTN Côte d'Ivoire	66.8%
MTN Benin	75.0%
MTN Guinea-Conakry	75.0%
MTN Congo-Brazzaville	100.0%
LonestarCell (MTN Liberia)	60.0%
MTN Guinea-Bissau	100.0%
MENA	
MTN Sudan	85.0%
MTN Afghanistan ■	100.0%
MTN Irancell Δ	49.0%
Associates, joint ventures (JVs) and other investments	
aYo	50.0%
IHS Group	25.7%
Iran Internet Group Δ	29.5%
Middle East Internet Holding Δ	50.0%

▲ Localisations.
■ Exiting in an orderly manner over the medium term.
Δ Equity accounted.
Legal ownership is 77.3%.

Our key metrics at a glance

2023 emissions

-5.3%

Decrease in Scope 1 GHG emissions from 2021 base year*
(-4.8% excluding SA)

-59.3%

Decrease in Scope 2 GHG emissions from 2021 base year*
(-22.6% excluding SA)

-42.1%

Decrease in Scope 1 and 2 GHG emissions from 2021 base year*
(-10.9% excluding SA)

Mitigation activities

6 582 sites

Rural BTS sites with solar energy across MTN footprint

5 484kW

Renewable capacity at buildings and data centres (top 6 Opcos)

R707m

Capex set aside for Project Zero initiatives in 2024

MTN CDP Score

B

Climate change 2023

Key metrics for the mobile sector

Absolute Scope 1 emissions*

292 506tCO$_2$e

Absolute Scope 2 emissions*

267 828tCO$_2$e

Absolute Scope 3 emissions*

3 153 046tCO$_2$e

% change in absolute Scope 3 emissions from 2021 base year:

-22%

Including MTN SA.

See "Notes on carbon footprint" (page 48) for important details on MTN's carbon footprint methodology.

MTN's approach to climate change

Doing for Planet: How we are advancing our commitment to protect the planet and achieve Net Zero

Our comprehensive environmental strategy is driven by our commitment to protecting the planet and achieving Net Zero emissions by 2040. Our strategy focuses on key areas: achieving Net Zero, fostering climate-focused businesses, developing sustainable products and services, and leveraging technology for environmental good. For Africa, the risks associated with climate change are undeniable; simultaneously there are opportunities to support a sustainable environment and unlock socioeconomic benefits despite our minimal continental and sectoral emissions contribution.

1

Set ambitions
MTN has established ambitious GHG reduction targets aligned with the goals of the Paris Agreement (1.5°C trajectory)

MTN has committed to achieve Net Zero emissions by 2040, 10 years ahead of industry guidance. This is the foundation of our approach to climate change

The SBTi validated MTN Group's reduction targets in 2023

2

Decarbonisation approach
There are several elements to MTN's decarbonisation approach, including:
- Measuring and tracking our emissions
- Project Zero – optimising energy consumption and transitioning to renewable energy sources to achieve Net Zero emissions by 2040.
- Collaboration with vendors and suppliers to reduce supply chain emissions
- Circular economy strategies to reduce material use and avoid emissions

3

Risk assessment
MTN's management team has systems in place for identifying and assessing climate risks and opportunities:
- MTN's enterprise risk management system integrates climate change risks
- MTN uses scenario analyses for evaluating physical climate risks
- Policy and regulatory oversight ensures we comply with government climate policies

4

Reporting and disclosure
MTN is committed to the transparent disclosure of our climate strategy and progress. MTN prepares an annual CDP climate disclosure and TCFD/IFRS S2 Climate Report

MTN has a proactive approach to understanding the constantly evolving ESG reporting landscape to understand the implications and respond with foresight

5

Engagement and advocacy
MTN has been collaborating with industry stakeholders as we work towards our Net Zero goals
This includes being a member of GSMA's Climate Action Taskforce and actively participating in local and international climate forums

net zero

Governance

MTN is committed to creating and protecting value for our stakeholders, thus maintaining superior corporate governance, transparency and accountability is essential for our business' long-term sustainable performance and growth.

MTN has established a comprehensive governance framework with processes and procedures to oversee climate-related risks and opportunities.

Oversight. Our Board of Directors oversees the management of climate-related risks and opportunities, including our strategic approach to climate, climate-related commitments, disclosure and risk management. The Board is integral in supporting our business and helping us deliver on our Net Zero strategy.

Accountability. The Executive Committee (Exco) facilitates the effective control of the Group's operational activities in terms of its delegated authority approved by the Board. It is responsible for recommendations to the Board on the Group's policies and strategy, and for monitoring strategy implementation in line with the Board's mandate.

Execution. Our management team is responsible for the implementation of our climate change strategy. For example, we have a dedicated team that prepares our annual carbon footprint, measures progress against our science-based targets and implements our Project Zero technology solutions.

Our climate change governance

Board oversight
Several of MTN's Board committees are responsible for ensuring climate change issues are carefully integrated into the Group's strategy and operations.

Executive Committee function
The Executive Committee is accountable for the execution of MTN's climate change and sustainability strategy.

Management roles
MTN's management team – from the Group level to the individual operating companies – is responsible for the day-to-day execution of the company's climate change strategy.

Corporate policies
MTN's sustainability position statements provide our stakeholders with a summary of our stance on key sustainability issues, including climate change.

Board oversight

Our sustainability governance

We are committed to creating and protecting value for our stakeholders; thus, maintaining superior corporate governance, transparency and accountability is essential for our business' long-term sustainable performance and growth.

Our governance framework is integral in supporting our business and helping us deliver on our sustainability strategy. It provides the structure through which we set our objectives, monitor our performance, and manage the risks we face. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behaviour we expect of each other.

ISSB Through its committees, the Board gives effect to the Group's sustainability framework, which guides our approach to delivering on critical global issues, as framed by the SDGs, while being sensitive to the needs and imperatives in each host country. The Board is cognisant of imperatives of our stakeholders in each host country as well as the sustainability-related impacts that affect our operations. The Board supports our efforts to mitigate sustainability risks and exploit related opportunities.

Each committee operates under terms of reference, setting out roles and responsibilities, composition and scope of authority. The Social, Ethics and Sustainability Committee (SESCO) specifically oversees strategy, targets and progress with regard to sustainability matters. Our committees are structured to promote cross-market and functional collaboration, which is essential to ensure sustainability is embedded throughout the organisation.

The Board is kept abreast of management's efforts to mitigate risk and deliver against our sustainability framework on a quarterly basis.

Read more about MTN's corporate governance practices and our committee's responsibilities in our 2023 Integrated Report. **IR**

The Board and committees' responsibilities across sustainability are defined below.

Board

→ **Social, Ethics and Sustainability Committee**

- Approves sustainability strategy and associated policies.
- Oversees overall sustainability performance and ensures implementation against key sustainability-related frameworks.
- Sets the ESG metrics that are material value drivers for the business.

→ **Risk Management and Compliance Committee**

- Oversees the sustainability risk register and ensures risk mitigation is adequate.
- Reviews compliance with sustainability-related policies.

→ **Human Capital and Remuneration Committee**

- Approves sustainability policies related to labour and employment, sets employment targets and monitors employment equity.
- Reviews, approves and assigns executive key performance indicators (KPI) in respect of ESG targets.

→ **Directors' Affairs and Governance Committee**

- Oversight on the 'governance' tenant on sustainability.
- Monitors effectiveness of the governance structures, processes and policies.

→ **Audit Committee**

- Assesses the reliability of sustainability data and disclosures.
- Oversees fraud and corruption policies.
- Oversees the financial performance and financial reporting practices of the Group.

Group Executive Committee

→ **Sustainability Steering Committee**

- Drives execution of sustainability programmes and partnerships to ensure delivery of ESG metrics.
- Resolves escalated issues and makes project decisions.

Read more about our materiality determination process detail regarding each material matter in our **IR**

Executive Committee function

The Exco facilitates the effective control of the Group's operational activities in terms of its delegated authority approved by the Board. It is responsible for recommendations to the Board on the Group's policies and strategy, and for monitoring strategy implementation in line with the Board's mandate. It meets at least monthly, and more often as required.

The Exco is ultimately accountable for the execution of the sustainability strategy and actions, with accountabilities assigned to relevant executives led by the Group President and CEO.

We extended our sustainability governance framework to include a Sustainability Steering Committee, which reports to the Executive Committee twice a year to dive deeply into sustainability topics. The Sustainability Steering Committee is supported by the Road to Zero Council and various management-led working groups.

Our committees are structured to promote cross-market and functional collaboration, which is essential to ensure sustainability is embedded throughout the organisation.

In the tracking and driving execution of sustainability, including climate change, we have three working groups: Group Functional Sustainability, Platform and Opco Sustainability. The Group Functional Sustainability and Platform working groups meet bimonthly and the Opco Sustainability working group meets monthly.

Continually improving our governance

MTN is committed to creating and protecting value for our stakeholders

Maintaining superior corporate governance, transparency and accountability is essential for our business' long-term sustainable performance and growth. MTN's Board is committed to ensuring climate change issues are carefully integrated into the Group's strategy and operations.

In 2023, we modified our governance structure to promote cross-functional collaboration and ensure sustainability is embedded throughout our organisation.

We further extended our sustainability governance framework to include a Sustainability Steering Committee, which reports to the Exco twice a year to dissect sustainability topics. The Sustainability Steering Committee is supported by the Road to Zero council and various management-led working groups.

Management roles

Our management team – from Group level to the individual operating companies – is responsible for the day-to-day execution of the company's climate change strategy. Like the Board committees, responsibility is shared across several levels of management.

Group President and CEO

Our commitment to climate change starts at the top. The MTN Group President and Chief Executive Officer, Ralph Mupita, has ultimate responsibility for the company's climate change strategy and commitments. For example, it was Ralph who signed our pledge with the SBTi that formally commits the MTN Group to a Net Zero ambition.

Group Chief Risk Officer

MTN's Group Chief Risk Officer is responsible for managing 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.

Group Chief Sustainability and Corporate Affairs Officer

To better integrate ESG at the core of our business, the Group Chief Sustainability and Corporate Affairs Officer position was established in February 2022. Responsibilities include decarbonising, rural connectivity, greater diversity and inclusion, enhanced stakeholder management and protecting digital human rights. The Group Chief Sustainability and Corporate Affairs Officer, working alongside the Group Information and Technology Officer, provides regular updates to the Social, Ethics and Sustainability Committee on the company's ESG priorities.

Group Chief Technology and Information Officer

The Group Chief Technology and Information Officer (GCTIO) is responsible for ensuring Project Zero leverages the latest technologies and service partners to enable sustainability via greater energy efficiencies, low carbon emissions, risk reduction and cost control. The GCTIO is working alongside the Chief Sustainability and Corporate Affairs Officer to actively drive carbon emission sustainability and supplier engagement to introduce sustainable technology alternatives. The GCTIO is also responsible for MTN's annual GHG footprint quantification and target setting.

Climate-related training and awareness

Ensuring appropriate skills and competencies to oversee climate risks and opportunities

MTN is a member of the GSMA Climate Action Taskforce, which hosts webinars to support the members' climate strategies.

Webinar topics have included:
• Introduction to CDP.
• Changes to CDP questionnaire.
• Renewables and energy.
• Scope 3 reporting.
• Science-based targets for nature.
• Climate transition plans.

MTN is also an active participant in the GSMA Climate Change Taskforce, helping to advance our understanding of climate change topics.

MTN conducts internal trainings throughout the year on climate change and sustainability topics for our country managers. Some of the recent topics discussed with Opcos (with internal and external speakers) have included:
• IFRS S2 awareness.
• Climate change risk assessment (CCRA) and adaptation strategies.
• Carbon emissions guidance.
• Standard operating procedures for Scope 1 and Scope 2 emissions calculations.

Corporate policies

At MTN, we are committed to integrating sustainability principles into every aspect of our business operations. Our sustainability position statements provide our stakeholders with a summary of our stance on key sustainability issues, including climate change. We recognise the importance of sustainability, ethical business practices and social responsibility, and we strive to uphold these values in everything we do. From reducing our environmental impact to promoting diversity and inclusion within our workforce, our sustainability policies reflect our dedication to making a meaningful and lasting impact on the world.

The IFRS S2 reporting standards ask how responsibilities for climate-related risks and opportunities are reflected in corporate policies.

Sustainability priorities are now an integral part of good corporate governance, and MTN adheres to a culture of sound ethical business conduct supported by a comprehensive set of Sustainability Policy statements.

Our position statement on energy and climate change commits MTN to five key principles:
- MTN will continuously work to reduce our impact.
- MTN will focus on achieving greater efficiencies from our infrastructure and facilities. MTN will invest in renewable/ alternative energy sources.
- MTN is committed to transparency and disclosure; we participate in the carbon disclosure project on an annual basis, which is in line with the TCFD recommendations.
- MTN engages with equipment manufacturers, product vendors and tower management partners in our technical infrastructure value chain to help us reduce energy use and GHG emissions.
- MTN offers smart solutions to support other industry sectors to reduce their environmental impacts (e.g., eSIM technology).

MTN's position statement on the environment and energy and climate change
https://www.mtn.com/our-positions-certifications/?tablink=sustainable

We also address our responsibilities for climate-related risks and opportunities within our governance structure and related policies by focusing on several key areas

- **Governance mechanism:** We have established a governance mechanism to ensure the implementation of Net Zero initiatives, indicating a top-down approach to managing climate-related risks and opportunities.
- **Policy advocacy:** We engage with policy and regulatory stakeholders on a regular basis to enable renewable energy policies and regulations, showing a proactive approach to addressing climate-related issues at a regulatory level.
- **People:** We are constantly upskilling our employees on Net Zero initiatives to enable them to make day-to-day decisions that consider climate-related risks and opportunities, thereby embedding climate responsibility into the organisational culture.
- **Collaboration and partnerships:** We identify and engage with vendors for Net Zero implementation and we investigate who is interested in cross-industry collaboration, highlighting a collaborative approach to addressing climate-related risks and opportunities.
- **Communication:** We use communication to inspire a more sustainable way of doing business and engage in continuous dialogue with stakeholders, emphasising the importance of transparent and ongoing communication regarding climate-related risks and opportunities.
- **Mitigation:** MTN is committed to reducing GHG emissions across our operations. By introducing energy-efficient technologies, encouraging renewable energy sources, and applying sustainable practices across our value chain, MTN will strive to reduce its carbon footprint.
- **Building resilience:** We support programmes that help the communities we serve become more environmentally aware and resilient to climate change-related issues.

Strategy

MTN recognises our business operations contribute to climate change and that climate change has the potential to impact our business in a profound way, as well as the customers and communities we serve. We also recognise that the resilience of our business requires strong and resilient communities.

In this section, we summarise the climate-related risks and opportunities with potential impact to our business, as well as our strategies to manage and mitigate these risks. Risks are grouped into two broad categories as suggested by the TCFD framework:
(1) Physical risks from a warming planet (both acute and chronic)
(2) Transition risks as we shift to a low-carbon economy.

Mitigation
Our approach to climate change includes several elements:
(1) We are taking action to better understand and evaluate climate-related risks so we can take appropriate mitigation and adaptation actions.
(2) We are setting targets and investing in the business to reduce our carbon footprint.
(3) We are engaging with our suppliers to reduce our supply chain emissions.
(4) We disclose our progress and engage with peer companies to help drive broader sector decarbonisation.

Adaptation
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 working to make our system more resilient to climate change. We are also transitioning to clean energy technologies taking advantage of the advancements in energy efficiency, solar technology and battery storage technology to reduce our carbon footprint. MTN is working with partners to provide an early warning system for severe weather events to help build community resilience. We are working to improve the climate resilience of our customers and communities.

Our approach to climate-related risks and opportunities

Group Environmental Strategy
Group demonstrated MTN's commitment to environmental responsibility by approving the MTN Group environmental strategy.

Optimising our efforts for strategic environmental impact is demonstrated in this section.

Risks and opportunities
MTN has identified climate-related risks and opportunities with potential impact to our business over short (zero to three years), medium (three to five years), and long-term (five to 10 years) time horizons.

Management response
MTN has a comprehensive approach in addressing the risks and opportunities associated with climate change with a vision to become Net Zero by 2040.

Reducing our carbon footprint
MTN is pursuing a wide range of strategies to reduce its operational and supply chain emissions.

Our Group environmental strategy

Environmental trends in 2023 highlighted a growing emphasis on renewable energy, resource management, environmental accountability, climate resilience and climate adaptation. Despite minimal emissions from Africa and the mobile sector, we appreciate the opportunity to drive sustainable development that unlocks economic opportunities while protecting the environment, through the delivery of digital and financial inclusion. Recognising the shifting global environmental dynamics and environmental challenges critical to Africa, the Group demonstrated MTN's commitment to environmental responsibility by approving the MTN Group environmental strategy.

Environmental trends in 2023

Environmental trends established the need for clarity in the alphabet soup of ESG reporting standards and frameworks, resulting in a move to reporting alignment with data quality of environmental performance gaining greater scrutiny. Companies and investors are contending with the growing threat of potential environmental liabilities stemming from regulatory changes. There is a need to resolve the balance between growing energy demands and ensuring secure and affordable energy supplies. The increased frequency and intensity of extreme weather events emphasise the need for disaster management and responsiveness as people, the planet and infrastructure are negatively impacted. The increased role of technology in sustainability solutions has gained prominence. Emerging issues for the sector include water and biodiversity.

Our environmental context

In the development of our environmental strategy, we contextualised environmental trends, reflected on universal planet metrics including sectors' environmental material matters, together with direct environmental aspects such as energy; water; water and consumables; and indirect environmental aspects upstream and downstream of our operations. Our physical footprint is reinforced by NDCs in most of our host nations.

MTN Group environmental strategy

Our environmental strategy commits to protecting the planet and achieving Net Zero emissions by 2040 through environmental protection, efficient use of natural and energy resources, reduction in emissions and waste, in addition to monitoring and reporting on environmental performance.

We have metrics and actions across our pillars of Net Zero, climate entrepreneurship, products and technology for the planet. These pillars are underpinned by the UNSDGs and will be powered by instruments such as research, capacity building, benchmarking, sustainable product lifecycle management and green financing. In delivering our strategic commitments of each pillar, we employ programmatic execution through new and existing MTN programmes.

Programmes contained in this report include Project Zero, Project Infinity, Africa PachiPanda Challenge and water management. A glimpse into forward looking initiatives are also included.

Doing for planet

Commitments
Eco-responsibility
We are committed to protecting our planet and achieving Net Zero emissions by 2040

Metrics and actions
Efficiency
Improve energy efficiency
Eco SIMs
Eco packaging
Eco chargers
Water and waste management
Reduce our impact

UNSDGs

	Commit to environmental protection	Commit to use natural resources and energy more efficiently	Commit to reduce emissions and waste	Commit to monitor and report MTN environmental performance
Net Zero	• Energy efficiency • Renewables • Circular economy – equipment and devices • Water and waste	• Decarbonisation • Energy services companies • Power purchasing agreement • Biodiversity and ecology	• Lifecycle analysis • Responsible supply chain • Carbon pricing • Climate change risks and scenarios	
Climate entrepreneurship	• Green SMEs • Green jobs • Green industries • Green funds	• Green crowdsourcing • Green industrial zones • Green hubs	• Product lifecycle management	
Products	• Eco SIMs • Eco packaging • Eco chargers	• Eco devices		
Technology for planet	• Smart energy • Internet of Things • Early warning systems • Fleet management	• Satellite imagery • Cloud • Blockchain • Teleworking	• Remote sensing • Geographic information systems • Big Data • Artificial intelligence	

Powered by:

Research, capacity building and best practice	Sustainable product lifecycle management policy	Green financing	Carbon credits and offsetting	Monitor, measure and report

Underpinned by Opco, platforms and functions collaboration, execution, governance and operational efficiencies

Risks and opportunities

Physical risks of climate change

Category	Risk	Impact	Mitigation strategies	Time horizon
Physical risks	**Acute** Increased frequency and severity of severe weather events (e.g. precipitation and flooding; wildfire; drought; and heatwaves). **Chronic** Long-term changes in climate and weather patterns, including higher mean temperatures and sea-level rise.	Severe weather conditions, flooding and wildfires can damage telecommunications infrastructure and equipment, while creating hazardous working conditions. Increased cooling loads can increase energy costs.	Forward planning can minimise physical risks in site selection (environmental surveys and impact assessments). Exposure analysis and flood vulnerability risk assessments are conducted to minimise exposure to damaging events. Periodic tower integrity checks and regular preventive maintenance, including corrosion painting, and enhancing the integrity and resilience of critical infrastructure. Specific sites have diesel generators and backup power options if there are power outages.	Short term Medium term Long term
Transition risks	**Policy and legal** Environmental legislation and regulations, and potential climate-related litigation.	Climate-related regulations and legislation may increase energy costs and could result in fines or litigation. Renewable energy policies and permitting requirements could prevent or delay the deployment of renewable energy projects in certain jurisdictions.	MTN complies with all applicable environmental regulations and ensures good ESG remains at the core value of the business. MTN is working to reduce its GHG emissions and is collaborating with its suppliers and service providers to cut carbon emissions. MTN monitors changes in legislation and regulation in its markets. 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.	Short term Medium term Long term
	Technology Deploying new low-carbon technologies, including renewables, energy storage and electric vehicles.	There can be risks in transitioning to new technologies, such as renewable energy, battery storage and energy efficiency.	MTN has been testing and adopting new clean energy technologies to ensure 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.	Short term Medium term Long term
	Market and reputation Changing customer behaviour and market conditions can increase energy and raw material costs.	Climate change, and the response to climate change, could affect supply and demand for certain commodities, products and services.	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. 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 measures stakeholder perception on sustainability and climate change-related matters.	Short term Medium term Long term

Risks and opportunities continued

Opportunities of climate change

Category	Opportunity	Management resolutions
Climate-related opportunities	**Resource efficiency and clean energy sources** Improving energy efficiency can reduce operating costs and improve operational performance, while clean energy technologies, which require an upfront investment, reduce reliance on third-party energy suppliers and spending on electricity and diesel fuel.	MTN Group Project Zero initiative ensures the measurement of the MTN Group carbon footprint and the implementation of strategies to reduce our emissions in a responsible manner. On the demand side, we are continuously onboarding innovative solutions and vendors to improve energy efficiency. On the energy supply side, we are deploying renewable energy projects to gradually reduce reliance on unstable grids and diesel generators. 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.
	Products, services and markets Development of networks, products and services that are low-carbon and climate friendly. Supply chain decarbonisation knowledge gap and scarce resources.	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 shape future-fit skill solutions.
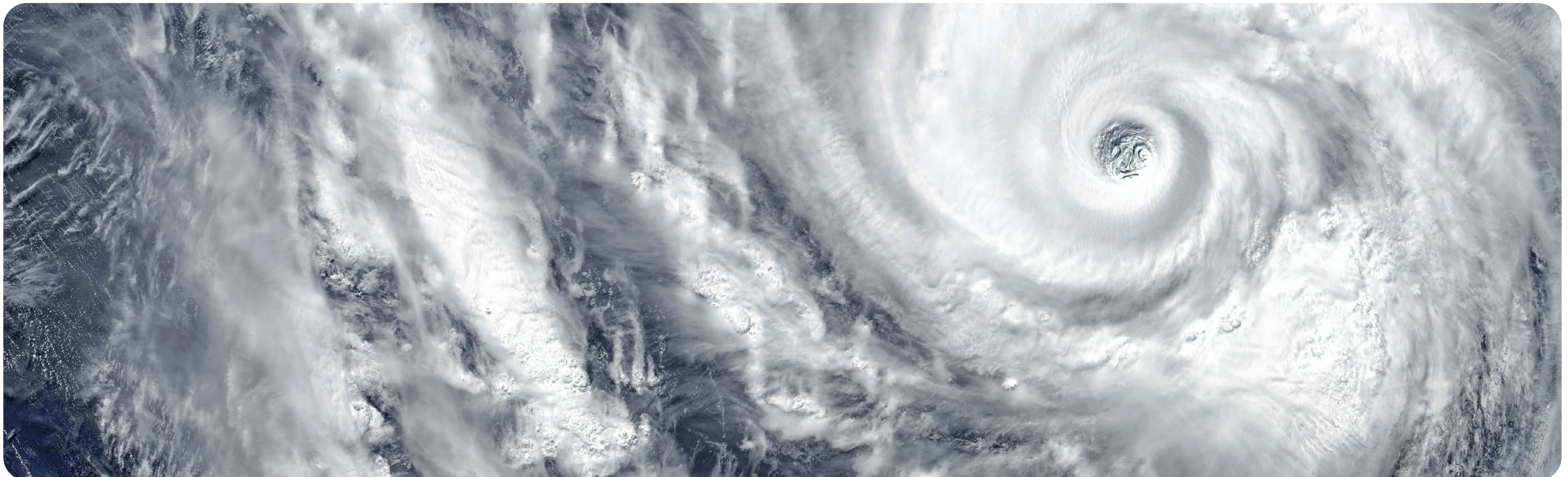
Management response to climate risks and opportunities

There are multiple elements that together comprise our climate change strategy to address both transition and physical climate risks.

Calculating our carbon footprint

At the foundation of our climate change strategy is a detailed understanding of the sources of emissions across our entire value chain. MTN relies on the guidance provided by the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Scope 3 Corporate Value Chain Standard in developing its Scope 1, 2, and 3 emissions inventory. All of the MTN Opcos, for which we have full operational control, provide energy consumption data from invoices and smart metering, when possible, to support the estimation of emissions. **Managing our carbon footprint.**

Climate change targets

MTN is committed to transitioning its business to a low-carbon future. We are committed to Net Zero Scope 1, Scope 2, and Scope 3 emissions by 2040. See Metrics and Targets for more information on our carbon reduction goals on page 44. **Reducing our carbon footprint to mitigate risk.**

Project Zero

Project Zero is the key management mechanism that we use to put our climate ambitions into action. Our largest operating companies have developed customised strategies for reducing Scope 1 and Scope 2 emissions, through a combination of clean energy projects and energy efficiency measures. Best practices are shared across all operating companies. The Project Zero champions provide regular reports on their progress, including project updates, capital expenditures and GHG reductions. **Reducing our carbon footprint to mitigate risk, while seizing the opportunities related to clean energy technologies and efficiency.**

Climate change risk assessment

Our risk management strategy prepares our business to respond to the physical risks of climate change, including extreme weather events and long-term changes in temperature and precipitation. Our CCRA is discussed in more detail in the Risk Management section on page 38. **Mitigating physical climate risks.**

Policy and regulatory oversight

We monitor legal and regulatory developments related to climate change and the environment (e.g. carbon tax and mandatory reporting) at the country level to ensure MTN's regulatory compliance. New regulations can have a significant impact our operating costs as we work to demonstrate compliance. **Mitigating policy and legal risks.**

Supply chain engagement

MTN has been actively working with our suppliers to reduce indirect Scope 3 emissions. For example, MTN leases network sites that are outside of our operations but are included as part of our Scope 3 emissions. MTN engages with tower companies and shares best practices to reduce their emissions. **Reducing our carbon footprint to mitigate supply chain risk.**

Management response to climate risks and opportunities continued

Circular economy strategies

MTN has been adopting better lifecycle management practices, ensuring circular economy principles are embedded in our strategy, processes and business lines. Project Infinity is our circular economy programme, which avoided more than 6 800 tCO_2e in 2023. **Reducing waste and material use to mitigate risk, while lowering costs and improving resource efficiency.**

Reporting and disclosure

As part of our engagement strategy, MTN provides regular reporting of its progress towards its climate-related goals and other key environmental indicators. See Metrics and Targets for more information on our climate-related metrics, and our Sustainability Report for broader environmental metrics see page 44. **Managing our carbon footprint and responding to stakeholders to mitigate risk.**

Engagement and advocacy

MTN works with industry partners and associations to advocate for climate action and share our approach to climate change. We also participate in industry forums and initiatives to learn from our global peers and ensure we are adopting best practices as we develop our climate change programmes. **Staying informed to mitigate risk and seize opportunities associated with resource efficiency and clean technologies.**

Water and waste management

Empowered by the insights from our water and waste baseline studies, Opcos are implementing their specific recommendations. Opcos have commenced with water and waste monitoring. This proactive approach will provide valuable data to guide future water and waste management initiatives. **Managing our water and waste footprint.**

MTN's Net Zero philosophy

The IFRS S2 standards ask that companies provide "information about how the entity has responded to climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set". Our ambition is to achieve Net Zero carbon emissions in our operations by 2040. This will require a range of strategies implemented across our business operations and supply chain:

- Greening our energy supply by purchasing renewable energy and investing in renewable energy projects.
- Reducing energy usage by improving energy efficiency.
- Replacing conventional vehicles with electric vehicles powered through renewables.
- Investing in climate-resilient networks.
- Engaging with our suppliers to reduce their own GHG emissions.
- Partnering with our suppliers to deploy technologies to reduce energy use and emissions.
- Adopting better lifecycle management practices and extending the life of our products.
- Collaborating with others to accelerate the transition to a low-carbon economy.
- Offsetting hard-to-abate emissions.

The following discussion details the measures we are taking to reduce our carbon footprint, including efforts to reduce our direct operational emissions, as well as our indirect supply chain emissions.

To bring our philosophy to fruition, we launched Project Zero to drive our vision to become Net Zero by 2040.

MTN understands the importance of conducting and growing its business in a sustainable manner. To contribute to global GHG emission reduction, improve energy security and enhance operational performance, we need to be a Net Zero business.

REDUCE
Reduce energy use by improving efficiencies, optimising operations and redesigning processes

Contribute to emission reduction globally

Less than 3%
ICT sector's contribution to global GHG emissions[1]

~1.6%
The telecommunications industry's contribution to global GHG emissions in 2021[1]

~14%
Expected by 2040[1]

SUBSTITUTE
Replace conventional, dirty energy sources with renewable technologies and low emission products

Improve energy security

~50%
Power outages owing to power deficit/grid instability in sub-Saharan African markets lead to reduced services[2]

~40% to 60%
Dependency on imports of fuel in South Africa due to shutting down of refineries[3] (South Africa) contributes ~24% to MTN's EBITDA[4]

COMPENSATE
Remove unavoidable residual emissions through RECs and offsets

Enhance operational performance

- High fluctuation in diesel and other fuel prices as a result of reliance on imports affects EBITDA.
- Self-reliance in meeting energy needs leads to stable and robust revenues by ensuring the continuity of services.
- Self-reliance on green sources of power yields sustainable EBITDA.

[1] https://www.ng-voice.com/blog/sustainability-in-the-telecommunications-industry-challenges-and-opportunities.
[2] Africa's electricity shortages have health and economic costs (qz.com).
[3] Interview: South Africa to grow more reliant on fuel imports as refinery closures loom: SAPIA|S&P Global Commodity Insights (spglobal.com).
[4] https://www.mtn.com/wp-content/uploads/2022/04/MTN-Group-FY-21-Integrated-Annual-Report.pdf.

Towards zero emissions and cleaner energy

Reducing our Scope 1 and 2 emissions and greening our energy supply through Project Zero

Project Zero
To realise our Net Zero targets, MTN launched its Project Zero, which concentrates our efforts on decreasing GHG emissions across our footprint and, in so doing, enhancing operational efficiencies, reducing energy use and investing in renewable energy sources. The initiative focuses on GHG emission reduction and includes energy management solutions, monitoring and measurements.

MTN's Net Zero strategy is based on three climate actions.

ROAD TO ZERO

○ **Reduce energy usage by improving energy efficiency** through the rollout of initiatives such as swapping energy-intensive infrastructure for more efficient options.

○ **Substitute non-green energy sources** by replacing fossil fuel-based energy with renewable energy as offerings mature in each market.

○ **Invest in certified climate protection projects** with high environmental and social standards to offset the emissions that cannot be avoided. This lever will be implemented post-2030 once we exhaust all other substitute activities.

Reducing Scope 1 and 2 emissions

Developing tailored Project Zero strategies for each market

As each of our operating companies faces unique energy challenges and opportunities, we have developed individualised Project Zero strategies, enabling us to reduce in Scope 1 and 2 emissions.

During 2022, MTN developed Net Zero strategies for five of our biggest markets, namely South Africa, Nigeria, Ghana, Cameroon and Sudan. These strategies are currently underpinned by energy efficiency and the greening of energy supply. In 2023, MTN Côte d'Ivoire, MTN Uganda and MTN Liberia also developed and began implementing their Net Zero strategies.

The following initiatives have been implemented to date:
- Performed a granular emission review and audit per asset class for Scope 1 and 2.
- Customised strategies for our Top 8 markets with best practices and knowledge sharing enabled across the rest of the footprint.
- Conducted a market-specific regulatory and policy assessment to understand the renewable energy landscape and policy parameters.
- Developed a customised Scope 1 and 2 strategy per asset class, which included initiatives to increase energy efficiency, green energy supply and outline investment considerations for climate projects.
- Detailed a decarbonisation implementation plan leveraging the initiatives identified and team capacities.
- Defined the financing requirement and approach to enable the plan.
- Drove several central technology requests for proposal to enable technology innovation in each country.
- In addition, in 2023, a proof-of-concept energy management and emission measurement tool was deployed by MTN Ghana.
- Each operating company's progress is measured through KPIs biannually and forms part of the Group's ESG KPI index.

Clean energy solutions: MTN SA

CASE STUDY

Partnerships for the planet

Edwin Hubbard
Senior Specialist: ESG and Renewable Energies

Preshen Govender
Specialist: ESG and Renewable Energies

In recent years, loadshedding/power outages have posed significant challenges to South Africa's infrastructure, impacting various sectors including telecommunications. In 2023, the frequency of loadshedding surged dramatically, to a 1 000% increase compared to 2021. Amid this energy crisis, MTN South Africa found itself navigating through operational hurdles, particularly in sustaining network reliability amid power outages. To ensure continuity, MTN South Africa resorted to extensive utilisation of diesel generators, incurring substantial costs to maintain operations at an optimal level. However, this reliance on diesel came at a cost beyond monetary implications. The heightened diesel consumption not only strained operational budgets but also posed a significant setback to the company's sustainability goals, contributing to increased carbon emissions. Recognising the urgent need to mitigate both financial and environmental impacts, MTN South Africa embarked on a proactive initiative – the inception of the MTN South Africa Solar Park. This visionary project aims to harness renewable energy sources to power the company's infrastructure, thereby reducing reliance on conventional fossil fuels and minimising carbon footprint.

The design and development of the MTN South Africa Solar Park represent a pivotal step towards achieving energy independence and sustainability. The Solar Park boasts a 5MW Solar PV installation complemented by a robust 2MW Battery Energy Storage System (BESS) with a capacity of 6MWh (megawatt-hours). The MTN Solar Park's Solar PV array harnesses the abundant solar energy resources, leveraging state-of-the-art photovoltaic technology to generate clean and renewable electricity. With a capacity of 5MW, this solar installation stands as a beacon of sustainability, capable of powering MTN South Africa's campus operations with clean energy during daylight hours. For the BESS, the advanced solution empowers MTN South Africa to optimise energy utilisation by storing surplus solar energy generated during the day for deployment during periods of high demand or during nighttime hours.

The integration of the Solar PV, BESS and gas generators enables the campus to achieve energy autonomy, significantly reducing reliance on the municipal grid and diesel generators. By leveraging stored solar energy, MTN South Africa can seamlessly power its campus operations, ensuring uninterrupted service delivery while mitigating environmental impact and reducing operational costs. The campus is expected to significantly reduce its dependence on the municipal grid and diesel generators, achieving a remarkable 40% reduction in reliance on conventional energy sources.

The initiative encountered multifaceted challenges necessitating meticulous planning and execution. Beyond the monumental civil and structural groundwork, the implementation of the solar PV and battery components proved to be highly intricate, particularly within a campus already managing three distinct energy sources – diesel, gas and the grid. Navigating the complexities of integrating multiple energy generation sources posed significant hurdles in terms of control and distribution of power. Managing the seamless co-ordination of these diverse energy inputs demanded sophisticated systems and precise oversight to ensure optimal performance and reliability. Furthermore, the task of monitoring all five energy sources – including the newly introduced solar PV and battery systems – presented an additional layer of complexity. With a vast array of components comprising 9 159 panels, 14 inverters, two transformers, and two battery containers, the monitoring process required meticulous attention to detail and advanced technological solutions. We are committed to overcoming challenges and are progressing, with dedicated efforts focused on streamlining operations, enhancing monitoring capabilities, and ensuring seamless integration of the solar PV and battery components into the existing energy infrastructure.

MTN breaks new ground in our renewable energy integration. Drawing from the invaluable insights and lessons gleaned from this landmark project, we are poised to replicate the learnings at our data centres and switching centres. This strategic expansion reaffirms reduction to our overall energy expenditure and reinforces our commitment to sustainability.

We continue our exploration of emerging technologies, particularly those aligned with our zero-carbon aspirations. Looking forward, one such innovation on our radar is virtual wheeling, a technology with the potential to revolutionise energy management and further diminish our environmental impact. Upon its launch, we intend to leverage virtual wheeling to optimise energy utilisation, ensuring even greater efficiency and sustainability across our operations.

Clean energy solutions: MTN Rwanda

CASE STUDY

Partnerships for the planet

Data centre

Modeste Kabayiza
Senior Manager: Network Field Operation

MTN Rwanda is committed to minimising our environmental impact and reducing our carbon footprint. The recent installation of solar projects at two remote data centres, 25kW each, demonstrates our commitment to reducing our carbon footprint. The success of these solar installations hinged on active collaboration with a diverse group of stakeholders. Internal stakeholder engagement included collaborating with teams in Procurement, Legal, and the CEO's Office. We also collaborated with external partners such as IHS and the solar system supplier. We firmly believe that strong partnerships are essential for driving progress in sustainability initiatives. To assess the effectiveness of the solar plants, an assessment will be conducted at upcountry solar plants after three months. We anticipate that the solar system production will feed the load at 19%. As with many projects, we encountered challenges. In one instance, our planned increase in energy production crossed the regulatory threshold, necessitating regulatory approvals. To ensure compliance we are awaiting the required approvals. Another challenge is the significant upfront financial investment required for solar power storage which modified our initial design approach. We, at MTN Rwanda, believe that even small actions, when combined, can lead to multiple benefits, in this instance, a 19% savings is expected for the four upcountry data centres. The successful implementation of these initial solar projects paves the way for larger-scale initiatives in the future. By replicating this model at additional sites, we can significantly amplify the positive environmental impact. We view this project, albeit comparatively smaller than other energy projects, as a crucial step in safeguarding our planet for future generations. Looking forward, we intend to complete two additional solar projects at our upcountry data centres in 2024, further solidifying our commitment to a sustainable future.

Clean energy solutions: MTN Uganda and Côte d'Ivoire

CASE STUDY

Partnerships for the planet

Badru Kigozi
ENG. M&E Designs and Projects Network

Uganda

The three BTS sites, Jacana, Paludar and Konge, were originally powered by landlord generators and consumed fuel. The continuous operations (24/7) resulted in environmental pollution from emissions and ambient noise, in addition to high operating costs. The Konge BTS site had low availability, which impacted user experience while the Paludar and Jacana BTS sites had high operating costs as a result of the continuous use of the generator.

The implemented solar solution eliminated the need for continuous generator use, resulting in reduced fuel consumption. We saved over 5 100 litres of fuel across all sites. Additional benefits include:
• Reduced downtime and callouts for rectification at sites owing to fewer generator-related incidents.
• Lower operating expenses owing to reduced maintenance requirements for generators.
• Elimination of ambient noise pollution from constantly running generators.
• Quantifiable savings of an estimated US$207 810 over the next five years, compared to the solution's cost of US$68 104.

We faced challenges during implementation, including:
• Damage to equipment during transportation.
• Battery inefficiencies.
• Security concerns regarding battery and solar panel theft.
• Incompatibility with existing maintenance tools.
• Fluctuations in weather conditions.

The adoption of solar power at BTS sites facilitates infrastructure development in regions lacking traditional power sources. These reliable, solar-powered BTS sites enable the expansion of telecommunication networks into remote and underserved areas, promoting economic growth and social inclusion. Improved connectivity provides access to information, education, healthcare and economic opportunities, empowering communities and driving local development. Overall, this initiative has the potential to spur economic growth, promote environmental sustainability and enhance overall resilience and connectivity within communities.

Fuel saved after solar installation

19%   **81%**
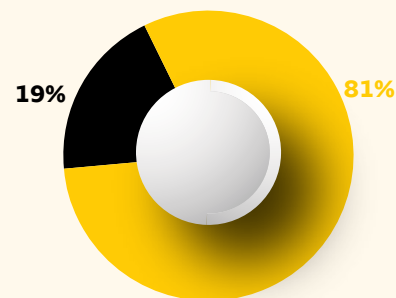
• Fuel saved
• Fuel consumption after

Côte d'Ivoire

We are improving how we expand our reach. Our BTS sites operated diesel generators continuously (24/7) to maintain functionality in areas currently outside the reach of the national grid. The Côte d'Ivoire grid has significant hydroelectricity generation. We committed to delivering on our Project Zero commitments. Our ongoing energy efficiency project has been instrumental in reducing the reliance on diesel generators by a third. This achievement was accomplished through the implementation of a hybrid solution, strategically combining different energy sources. The positive impact of the energy efficiency project includes reducing diesel generator usage by 33%, resulting in a significant reduction of fuel consumption, which consequentially corresponds to a decrease in associated emissions. Looking forward, we intend to progressively connect more BTS sites using diesel generators to the grid and adopt solar solution in the absence of grid coverage.

Fouyassory Ouattara
Manager: Infrastructure Operations
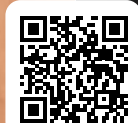
Clean energy solutions: MTN South Sudan

CASE STUDY

Partnerships for the planet

BTS

We are proud to announce significant strides in our commitment to sustainability and reducing our carbon footprint, in alignment with MTN Group's Environmental Strategy. In 2023, in partnership with I-Engineering, we launched the groundbreaking Energy Service Company (ESCO) project as PaaS, an initiative aimed at revolutionising our energy consumption patterns. This project will deliver 305 solar BTS sites across the region over the term of agreement. MTN South Sudan has already achieved a remarkable 30% reduction in fuel costs, reflecting our dedication to environmental stewardship and operational efficiency. This initiative not only supports our green energy goals but also enhances the reliability and expansion of our network, particularly in and around the capital city, Juba.

Furthering our efforts, we successfully integrated two major data centres and other facilities into the National GRID. This transition is set to significantly decrease carbon emissions and contribute to our ongoing operational expenditure reduction drive. In addition to these achievements, we have also reinforced our network's reliability in high revenue areas by procuring 11-20KVA diesel generators, ensuring stability and redundancy to GRID power. At MTN South Sudan, these initiatives underscore our commitment to a sustainable future, enhancing community connections while fostering environmental responsibility. We are excited to continue this journey, leading the way in sustainable telecommunications in South Sudan.

Ashwani Mishra
Chief Technology Officer: MTN South Sudan

30% reduction in fuel costs

Nathaniel Seku
Manager: Managed Service Operations

Additional Project Zero updates

Reducing Scope 3 emissions

Partnering to reduce emissions throughout the value chain

In 2021, we undertook a Scope 3 materiality assessment to better understand the emissions across our value chain and improve our Scope 3 emissions reporting and understanding. We strengthened our commitment to reducing our total impact, by including Scope 3 emission targets in Project Zero. We also set a near-term Scope 3 supplier engagement target, which aims to see 80% of suppliers (by spend) committed to setting emission reduction targets by 2026.

To achieve this, MTN is engaging with our suppliers and key TowerCo and other partners to educate and encourage them to set their own emission reduction targets in line with SBTi guidance.

This education layer is pivotal in starting supplier dialogues and encouraging supplier commitment to climate science; we indirectly drive Scope 3 emission reductions as suppliers improve their knowledge and start deploying emission reduction strategies and projects.

We encourage our suppliers to sign a pledge to join MTN's road to Net Zero to reduce Scope 3 emissions and are asking them to work beside us to:

- Commit to set emission-reduction targets in alignment with science-based targets by 2026 for their organisations and publicly communicating their commitment.
- Consider joining the CDP supply chain programme as a member by reporting environmental data through CDP's questionnaires and sharing emission data with us.
- Prepare a carbon emission reduction roadmap by identifying potential decarbonisation levers across Scope 1, 2 and 3 that can be implemented across their organisation's global footprint
- Consider adopting waste management and circular economy practices, and actively supporting our activities to provide lifecycle product service to our customers including trade-ins and recycling options.

	Our strategy	Our action plan
2022	**Programme (SEP)**	*Vendor outreach sessions* to engage with critical suppliers on climate agenda. *Suppliers' evaluation and contracts management* Integrate climate performance clauses in contracts.
2023		**Goal:** 80% of suppliers by spend commit to setting emission reduction targets in line with the SBTi by 2026, as well as drive education and commitment to carbon emission reduction across the industry.
	Strategic supplier collaboration	Collaborate with our highest emitting suppliers to support emission reduction.
2024		**Goal:** Suppliers shall support and commit to an emission reduction trajectory of reducing emissions by 50% by 2030 aligning with our Net Zero ambition.
2025	**Supplier incentivisation programme**	Prioritise high-performing suppliers in contract biddings or make environmental performance a part of the procurement process.
2025		**Goal:** To reward the suppliers in the RFQ process based on climate performance, as well as provide shout-out and recognition via awards.
2026	**Internal carbon pricing**	Incorporation of internal carbon pricing in business decision making (procurement).
		Goal: Onboarding low-carbon suppliers.
2030	**Carbon offsetting**	Purchase carbon offsets from 2030 to compensate for remaining emissions (~ up to 10%).
2040		**Goal:** Few hard-to-abate emissions will be reduced via carbon offsetting (only 10%) to achieve Net Zero status.

Supplier engagement: Ericsson

Partnerships for the planet

Fida Kibbi
Vice President and Head of Marketing, Communications and Sustainability and Corporate Responsibility at Ericsson Middle East and Africa

With a commitment to achieve Net Zero GHG emissions within the value chain by 2040, and halve them by 2030, Ericsson is pioneering a sustainable future and leads the industry by example through its solutions. These targets are 1.5C aligned and validated by the Science-based Target initiative (SBTi). Signing the pledge supports MTN and Ericsson's aims to achieve ambitious Net Zero goals and prioritises climate action for Africa's socioeconomic future.

This collaboration can potentially address Scope 3 emissions, which are indirect emissions that occur in a company's value chain outside their direct operations. Scope 3 emissions often comprise a substantial part of organisations' footprints and are difficult to calculate and control as a result of limited operational influence and intricate supply chain involvement. Collaborations like Ericsson and MTN's, where we potentially share upstream and downstream value chain suppliers, can improve opportunities to communicate with, engage and support supply chain partners, ultimately contributing to the goal of reducing emissions.

By leveraging Ericsson's latest and most advanced sustainable technologies, MTN will be in a better position to realise its energy use and carbon management efforts in line with its commitment to reach Net Zero emissions by 2040. Implementing energy efficiency, network optimisation and sustainable practices throughout the value chain can help both companies contribute to a lower carbon footprint for the ICT sector.

Ericsson's science-based approach to climate action will benefit the company, its stakeholders and society. MTN is committed to protecting the planet and achieving Net Zero emissions by 2040. Our Net Zero goals are aligned, and together, we are working to contribute towards the sustainable development of society. To strengthen the collaboration, recently, Ericsson and MTN Group announced a Memorandum of Understanding (MoU) aimed at advancing sustainability across Africa. Under the MoU, the companies will explore, among others, opportunities to develop and promote innovative ICT solutions for the decarbonisation of their value chain ecosystem, enabling sustainable practices and contributing towards achieving their Net Zero commitments.

How 5G & connectivity can support climate action – Ericsson:
https://www.ericsson.com/en/about-us/ sustainability-and-corporate-responsibility/ environment/climate-action

Developing a circular economy

In a world where reducing our negative environmental impacts is paramount, MTN is charting a course towards a circular economy. Our approach seeks to extend the life of materials, products and services while minimising waste and the consumption of new resources. Instead of the linear 'take, make, dispose' model, we are transitioning into a 'make, use, return' paradigm. At the heart of this shift is Project Infinity, our comprehensive initiative aimed at conserving resources and reducing waste.

Project Infinity

Project Infinity serves as the cornerstone of our circular economy strategy. This initiative is focused on reducing resource consumption, extending product lifecycles and minimising waste. Its core principles revolve around the reuse and redeployment of refurbished network equipment, allowing us to significantly extend product lifecycles.

Responsible consumption
MTN + enablers

Benefits through testing, refurbishment, inventory audits, brokerage and logistics enable reuse of resources.

Responsible production
MTN + manufacturers/suppliers

Benefits through co-operation with manufacturers, suppliers, regulators and other operators.

Responsible disposal
MTN + recyclers

Benefits through increased recovery of natural resources and responsible waste management.

Committing to recovering and reusing materials responsibly

Our circular economy strategy is key to reducing our Scope 3 emissions, in particular, Category 1: Purchased Goods and Services, which accounts for a substantial portion of our carbon footprint. By reusing rather than purchasing new equipment, we avoid the indirect emissions associated with mining, manufacturing and supply processes within the value chain.

In 2023, the emissions avoided achieved through Project Infinity exceeded our expectations. Our initial target was to double the emissions avoided compared to 2022. However, we have vastly exceeded targets.

In 2022, we developed a playbook and training materials to guide operating companies in implementing Project Infinity. We continue to refine the playbook to ensure Project Infinity operates smoothly and efficiently, offering clear guidance to all stakeholders.

In 2023, we sought to onboard more Opco stakeholders to the circular economy marketplace platform. By engaging Opcos more directly, Project Infinity's reach and impact have expanded. This closer collaboration streamlines processes, allowing for more effective implementation of circular economy practices.

We continue to work closely with organisations such as the Joint Alliance for CSR (JAC) and the GSMA to address climate change and circularity in the telecommunications sector. Our efforts with JAC have resulted in a report that emphasises the significance of Scope 3 emissions and the urgency to address them across industries.

Our initial Project Infinity focus was on network equipment, but we have observed a growing demand for circular practices in consumer devices. While we are in the early stages of this expansion, our aim is to promote and facilitate the reuse and recycling of devices, such as mobile handsets, to reduce e-waste and resource consumption.

Furthermore, we are working to expand the footprint of our Circular Economy programme across multiple Opcos. South Africa has been a pioneering Opco in this regard, and we aim to include Nigeria and Ghana as the next MTN markets to join our circular economy mission. Our goal is to gradually include more Opcos, facilitating greater collaboration in achieving a circular economy.

Our circular economy strategy contributes towards SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action)

The benefits

Environmental
Conserve natural resources, reduce waste and emissions

Operational
Reduce obsolete, idle inventory and lead times

Financial
Savings compared to buying new from OEMs

Resilience
In-house alternative source for supply chain disruptions

Circular economy approach: MTN Guinea-Republic

Partnerships for the planet

Mamadouba Sylla
Acting CTIO – MTN Guinea-Republic

This would not have been possible without our Circular Economy programme, Project Infinity, that enables buying refurbished equipment with the same assurances as new. The programme utilises digital solutions, which includes an online marketplace platform for visibility in matching the supply to the demand, a framework to ensure quality, tax and trade compliance, the provision of process support, technical and logistic capabilities, and a reporting structure.

The MTN Guinea-Republic technology team uses the Marketplace platform to check whether the required equipment is available elsewhere in our markets for reuse before placing an order for new. Through the online platform, the team can place their order, track it all the way to delivery to check how much emissions they avoided though reuse.

MTN Guinea-Republic have adopted the programme into the sourcing strategy to maximise the supply chain opportunities offered and are regular return customers to the Marketplace. By embedding sustainable practices into our operations through a programmatic approach, MTN Guinea-Republic has reused 237 pieces of network equipment so far, which in turn accounted for 155.6tCO_2e emissions avoided.

MTN Guinea-Republic: *Doing for tomorrow, today.*

Doing for the planet – Voices of the people

The current fragile macroeconomic situation has further heightened the ever-present practice within MTN to drive efficiency, bolster cost containment initiatives and improve working capital management while utilising ESG as an enabler. MTN Guinea-Republic has successfully demonstrated this in practice by reusing refurbished network infrastructure equipment that would have previously been idle, obsolete or disposed in another MTN market, thereby supporting sustainable resource management. This enabled us to execute our strategic projects at a fraction of the cost of new equipment and, more importantly, to maximise the resources available while fulfilling MTN's commitment to protecting the planet. By reusing equipment, we avoid emissions that would have been emitted during the mining of the resources, manufacturing and distribution needed for new equipment.

Network equipment reused	Emissions avoided
273 pieces	**155.6tCO_2e**

Learn more about supply chain emissions from the telecommunications industry
website link: https://jac-initiative.com/climate-change-report/

Using natural resources responsibly

Africa is the second fastest growing market and is expected to experience economic acceleration; however, there is still untapped potential. 'Doing for the planet' aims to ensure we protect our environmental resources and that we are embedding sustainable management practices into our operations. Delivering the benefits of a modern, connected life to millions of customers across 19 markets means our geographic footprint is vast.

This extensive footprint brings a diversity of environmental challenges and tackling these environmental issues requires collaboration across borders and sectors. Key environmental factors for our operations in terms of the atmosphere, land and water include emissions, waste management and water usage, respectively.

MTN addresses environmental issues through our Group's environmental strategy and a systematic approach to environmental risk management. We take into consideration the need for bespoke operational solutions while maintaining the vision of protecting the planet.

Supplier code of conduct:
https://www.mtn.com/wp-content/uploads/2023/03/Supplier-Code-of-Conduct-1.pdf
Environmental position statement:
https://www.mtn.com/wp-content/uploads/2024/04/MTN-Position-on-Environment.pdf
Networks and environment position statement:
https://www.mtn.com/wp-content/uploads/2023/09/MTN-Position-on-Networks-Environment.pdf

We are committed to environmental protection and management.

Water management

Water resource protection is a global issue that intersect numerous other areas including education, gender equality, health and food security. For Africa, the paradox of water scarcity and abundance highlights the need for water security and continued collaboration.

This variability of water access means continued climate change leaves vulnerable groups in worse conditions as a result of drought and unpredictable weather events such as flooding, highlighting the need for effective water infrastructure.

Following on our baseline water assessment, which we undertook together with the National Cleaner Production Centre, we engaged each of the participating Opcos.

The engagements involved in-depth sessions to understand the need for the water baseline assessment, the methodology, outcomes and recommendations.

Recommendations included Group-wide and specific actions including opportunities for partnerships.

Opcos operating conditions vary, and teams implemented recommendations from training and awareness to having a proactive approach of including more sustainable water management practices in building refurbishment plans such as rainwater harvesting tanks.

As we develop our water monitoring, the initial insights are already proving valuable with unique water consumption patterns based on the specific operating environment of each location.

We noticed that the water source distribution of MTN Nigeria varies greatly depending on the region. This finding, compared to data from other MTN locations, emphasises the importance of tailoring water management strategies to consider local factors.

By gaining a deeper understanding of our water sources and usage patterns, we can strategically select the appropriate monitoring tools to further refine our baseline data. This data will be crucial in pinpointing operational inefficiencies that contribute to water waste. Ultimately, it will empower us to establish SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) water reduction goals. This ensures a data-driven approach to optimising water consumption across all MTN locations.

CASE STUDY

Partnerships for the planet: MTN Uganda's water conservation initiative

Transforming challenges into environmental opportunities

Uganda's economic growth over the last two decades has led to increased population growth, stressing the existing water and sanitation services. Over 80% of the Ugandan population lacks access to clean, drinkable, or usable water.

In a country where water services and sanitation are stressed, the MTN Uganda team recognised the significance of tapping into a natural water resource at its disposal. The expansion of the MTN Uganda facilities, during COVID-19, resulted in a water management issue with an existing spring in the path of the building plan. MTN Uganda reframed this challenge. They redirected the excess spring water to the reserve water tank, utilised the resource for onsite irrigation of the property, and increased their ablution facilities, which were then supplied with water from the spring. This initiative saves approximately 20% of water costs.

MTN Uganda also participated in the MTN water baseline assessment and, in line with recommendations, has commenced with water consumption monitoring across our buildings, data centres, and stores. Monitoring our water consumption is the foundation for responsible and sustainable water management. It will empower informed decision-making and promote our conservation efforts, benefiting the environment and cost containment. Water conservation is vital for ensuring a sustainable future.

Supporting climate entrepreneurship

Doing for growth is part our sustainability strategic framework and *Ambition 2025*, and at the core of developing a sustainable economy is climate entrepreneurship. We encourage and support climate entrepreneurship through collaborative challenge ecosystem.

Climate entrepreneurs are emerging as key in tackling global environmental challenges. Their innovative solutions address environmental issues like climate change adaptation while generating economic and societal benefits. These ventures create new jobs and industries, driving economic growth. Furthermore, by prioritising social responsibility and accessibility, they empower communities most vulnerable to climate change.

This translates into a strategic opportunity for Africa as the continent faces unique environmental vulnerabilities, The talented youth population are drivers for change. By supporting youth-led climate ventures, we can unlock a pipeline of innovative solutions specifically designed for Africa's context.

These solutions can address pressing issues like water scarcity, food security, and land degradation, while simultaneously creating new economic opportunities and fostering a sustainable future. Investing in African climate entrepreneurship is not just environmentally responsible, it is a strategic move that strengthens market positions, fuels economic growth and empowers the continent's future leaders.

We understand that in developing a strong entrepreneurial environment, the youth require the opportunity and incentive to engage in entrepreneurship. Creating effective incubation models can support climate entrepreneurs.

Robust entrepreneurial ecosystems enable access to financing for incubators and accelerators. It enhances the connection between private sector funding and entrepreneurs, in addition to expanding awareness of new products on both the supply and demand side.

CASE STUDY

Partnerships for the Planet: PachiPanda

Africa's rising temperatures and resource scarcity pose a significant challenge but also an under-explored strategic opportunity. Young Africans, particularly vulnerable and innovative, are key to a 'just transition' – one that tackles climate change while fostering socioeconomic development. By supporting youth-led climate ventures, we can secure a resilient future for Africa, establish ourselves as a sustainability leader, and unlock new markets driven by innovative solutions.

MTN is supporting and encouraging young climate entrepreneurs through our Africa PachiPanda Challenge. This initiative encourages SMEs and youth to create new ideas that tackle current environmental challenges and promote sustainability using digital innovations. We are replicating and scaling the PachiPanda Challenge in 2022 held by MTN Zambia which was delivered through a partnership between MTN Zambia and the Worldwide Fund for Nature (WWF). The Group is scaling a similar programme across the continent for MTN markets to engage, as part of our climate entrepreneurship mandate and in line with the Group-wide sustainability strategy. The first round will include South Africa. Nigeria, Cameroon, Uganda and Zambia, followed by an African final.

Africa's climate entrepreneurship scene presents a compelling strategic opportunity. These innovative ventures are at the forefront of tackling the continent's environmental challenges, developing cutting-edge solutions with the potential to transform Africa's sustainability landscape. Through strategic partnerships or investments in these ventures, we can support emerging technologies specific to local market needs and contribute to a more resilient and sustainable Africa that reinforces our commitment to responsible business practices.

Top honours in the PachiPanda Challenge 2023 went to Isaac Mwanza, a visionary student at Mulungushi University and founder of EcoBuild. His initiative converts copper slag to stronger and cheaper cement.

The second prize was awarded to New Tech, a venture promoting community recyclable material collection, while the third prize recognised generating renewable electricity and byproducts from waste.

Ultimately, by supporting African climate entrepreneurs, we not only contribute to a better future for the continent, but also solidify our market position as a leader in sustainable solutions.

Developing sustainable products

We are committed to protecting the planet as part of our Group environmental strategy through product lifecycle management and supporting sustainable products

Green products and services represent a critical pathway towards achieving global climate goals. By minimising environmental impact throughout their lifecycle – from resource extraction to disposal – these solutions offer a strategic approach to mitigating climate change. Prioritising recycled or sustainable materials in production reduces reliance on virgin resources, while minimising energy consumption during use directly translates to lower GHG emissions. Additionally, ensuring responsible disposal or recyclability prevents environmental contamination and promotes a circular economy.

The traditional paradigm of production and consumption has resulted in resource depletion and environmental degradation. Green products and services offer a strategic alternative, promoting resource conservation and fostering a healthier planet for present and future generations. They represent a key component of a comprehensive climate action strategy.

The mobile industry, a historically significant contributor to resource consumption and energy use, is now demonstrating leadership in embracing green solutions. This strategic shift includes prioritising recycled materials in phone components, developing energy-efficient devices and implementing responsible e-waste disposal programmes. Furthermore, mobile network operators are transitioning to renewable energy sources, further reducing their carbon footprint. This industry-wide shift underscores the strategic importance of green practices in mitigating climate change.

Green products and services hold particular significance for Africa. The continent faces a multitude of environmental challenges, including climate change, desertification, water scarcity and biodiversity loss. Implementing green practices presents a strategic opportunity for African nations to not only protect their environment, but also unlock new economic avenues.

Green technologies offer the potential to leapfrog older, polluting infrastructure, enabling Africa to pursue a more sustainable development path. As a rapidly growing continent, Africa's choices regarding resource use will have a significant global impact.

We are embracing green products and services as an imperative for Africa's sustainable future, and a crucial step towards achieving global climate goals.

CASE STUDY

Partnerships for the Planet: bioSIM
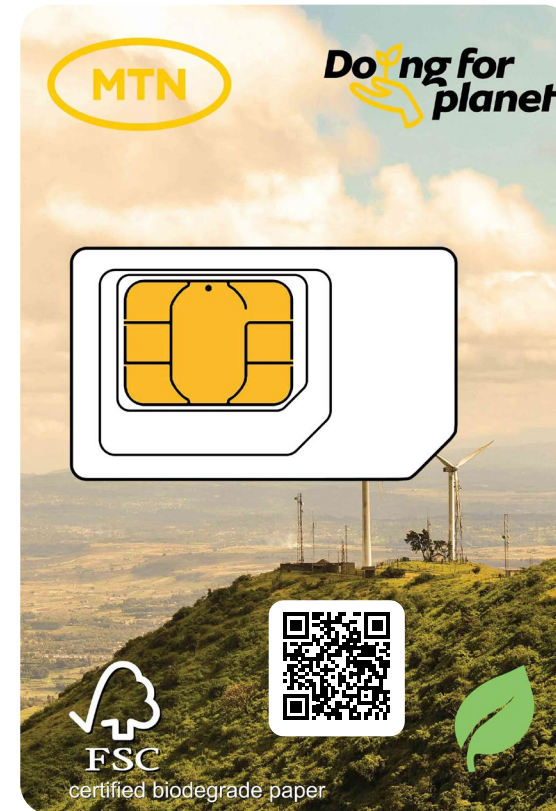
Reflecting on the environmental impact of plastics, we investigated opportunities to reduce plastic use in our operations and for our consumers. In 2023, MTN Rwanda embarked on a journey to consider the environmental impact of SIM cards.

We are investigating replacing the plastic card that holds SIMs with a more sustainable alternative such as biodegradable materials.

In the implementation of such a product, we are considering the implications, from supply chain to the performance for our customers. We are reflecting on how the materials are sourced and if there will be any impact on the device.

As part of the environmental due diligence during sourcing, FSC certificates will be required and verified, to ensure responsible sourcing of the forest-based materials. These materials will be used by MTN suppliers to manufacture the paper SIM holders.

The FSC certificate provides external confirmation that the forest products are made with materials that support responsible forestry. The FSC is an international, non-governmental organisation dedicated to promoting responsible management of the world's forests.

The paper-based nature of the SIM holder will not interfere with the operation of handsets as the holder is not used in the mobile device.

We look forward to launching this innovative product in 2024.

Early warning system for extreme weather

Africa fights back: early warnings for 300 million people
Millions in Africa face the brunt of extreme weather. But a powerful new alliance is changing the game. MTN Group, Tomorrow.io and Microsoft are joining forces to deliver life-saving early warnings directly to mobile phones across the continent. This means over 300 million people will get critical weather information using cutting-edge technology like satellite monitoring and artificial intelligence.

Africa: rising climate threat and extreme weather

Africa is bearing the brunt of climate change, experiencing a surge of extreme weather events. Since 2022, devastating floods and droughts have caused immense hardship. In Nigeria, the worst floods in a decade claimed over 600 lives, while Uganda grappled with drought and famine leading to over 2,500 deaths.

The stark difference in disaster preparedness saves lives. According to the UN, countries lacking early warning systems experience an 85% higher death rate from disasters compared to those with robust systems. Alarmingly, 60% of Africa lacks such systems.

The recent Kwa-Zulu Natal floods in South Africa illustrate the dangers. Torrential rains caused casualties, destroyed homes, and crippled infrastructure, leading to severe economic losses. MTN South Africa's network was heavily impacted by the floods, compounded by damaged roads and power outages. Despite limited access, their tireless efforts restored connectivity.

Early warning systems are crucial for saving lives, protecting infrastructure and promoting long-term sustainability in the face of climate change and extreme weather events like the KZN floods.

Tech alliance aims to save lives in Africa with hyperlocal weather alerts

This partnership focuses on creating a system that delivers critical weather information directly to vulnerable communities across Africa. By combining cutting-edge technology, the initiative aims to:
- **Leverage Tomorrow.io's hyperlocal weather engine:** This engine provides highly accurate, location-specific forecasts.
- **Utilise Microsoft's Azure cloud computing platform:** This powerful platform ensures scalability and efficient data processing.
- **Harness MTN's extensive mobile network:** This vast network will deliver life-saving early warnings directly to millions of users.

The goal is to provide clear and timely notifications about severe weather events, allowing communities to take preventative measures like evacuation or preparation. This collaborative effort has the potential to significantly reduce the impact of disasters and save lives across Africa.

Beyond early warnings: building resilience in Africa

This collaboration between Tomorrow.io, MTN Group, and Microsoft goes beyond simply delivering early warnings. It aims to transform how African communities prepare for and adapt to a changing climate.

Empowering communities
- **Actionable weather intelligence:** Timely and specific forecasts will enable communities to take preventative measures, reducing deaths and losses from weather disasters.
- **Value-added services:** Tailored subscription services (e.g., for agriculture) will empower critical sectors to thrive in a more unpredictable climate.

Scaling the impact
- **Africa-wide expansion:** The initiative will expand beyond West Africa, reaching all MTN-operating countries on the continent.
- **Sustainable development focus:** Aligning with the UN's vision, the collaboration will leverage technology to support sustainable development goals.

A leap forward
This partnership represents a significant advancement. By harnessing cutting-edge technologies (satellite monitoring, AI, mobile networks, and cloud computing), it empowers vulnerable populations and contributes to a more resilient Africa in the face of climate change.

https://www.mtn.com/tomorrow-io-and-mtn-group-announce-partnership-to-deliver-lifesaving-weather-early-warnings-in-africa-powered-with-support-from-microsoft/
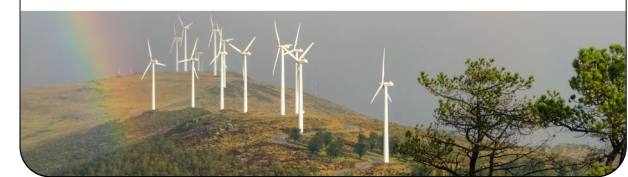
Partnering to expand our impact

MTN participates in a variety of climate change forums and initiatives to learn from our global peers and ensure we are adopting best practices as we develop our climate change programmes.

CDP (formerly known as the Carbon Disclosure Project). MTN Group completes the CDP Climate Questionnaire on an annual basis. Disclosure through CDP is the global benchmark for corporate environmental reporting.

The International Financial Reporting Standards (IFRS) has issued its new Sustainability Disclosure Standards aligned with the recommendations of the TCFD) In 2022, MTN pledged its support for the recommendations of the TCFD and published its first TCFD-aligned climate report. MTN supports the IFRS Sustainability Standards to standardise climate-related disclosures.

The GSMA is the mobile industry body that engages with on climate action issues through its Climate Action Taskforce. MTN forms part of a taskforce that has more than 60 operator groups from across the globe. MTN is working with the GSMA and the taskforce to move the mobile industry towards Net Zero carbon emissions by 2050 at the latest. MTN has committed to achieving Net Zero by 2040, 10 years ahead of the industry commitment.

United Nations Global Compact. MTN is committed to the UNGC's SDGs. We commit to continue making the Global Compact and its principles part of our strategy, our culture and the day-to-day operations of our company.

SBTi. In 2023, MTN Group had its near and long-term GHG emissions targets validated by the SBTi. SBTi is a partnership involving the UNGC, the World Resources Institute, CDP and the WWF for Nature. SBTi encourages companies to set targets in line with the Paris Agreement.

Joint Audit Co-operation and GeSI. MTN is a member of the Joint Audit Co-operation and GeSI, providing information, resources and best practices for achieving integrated social and environmental sustainability through digital technologies.

Looking ahead 2024

Aligned with **Ambition 2025** of leading digital solutions for Africa's progress, MTN supported the inaugural G6 event convened at MWC Kigali 2023, driven by a shared vision that a truly connected, dynamic Africa – enabled by the power of inclusive mobile connectivity – is within our collective grasp across both existing and new partnerships. A key dependency is the need to build the right conditions for digital infrastructure investment across Africa. The environmental impact of climate change emerged as critical focus areas. Considering these key imperatives in the context of the telecom-energy nexus, which supports economic growth, environmental sustainability and financial inclusion, MTN Group is participating in the 'Energy for last mile telecommunications in Africa' discussion at MWC Barcelona 2024 where industry leadership will unpack the opportunities in collaboration and co-creating solutions.

Risk management

MTN acknowledges that our business operations contribute to climate change and that climate change has the potential to impact our business in a profound way, as well as the customers and communities we serve. We also recognise that the resilience of our business requires strong and resilient communities.

Climate change, and the associated political and social response, is already presenting material risks and opportunities to businesses across Africa. These risks and opportunities have grown in prominence over the last five to 10 years and are expected to increase significantly in scale and coverage within this decade. These events can cause prolonged business interruptions through damage to physical assets and higher operating costs.

Africa is one of the most vulnerable regions in the world to climate change, according to the IPCC. Africa is already more severely affected by climate change than most other regions, with infrastructure for transportation, telecommunications, water supply and electricity under threat.

MTN is committed to help identify, mitigate and adapt to the evolving change in climate and the physical repercussions of extreme weather events that impact not just MTN assets and our business operations, but also the communities we serve.

In the last couple of years, we have witnessed how MTN's infrastructure after extreme weather events is crucial for the communities as families can be in touch with their loved ones. Hence, it highlighted how important it is for restoration and recovery of our assets as soon as possible to the communities.

Our management approach

Enterprise risk management (ERM) system

MTN has been working to integrate climate change risk into our existing risk management framework. Integrating climate risks and opportunities into our ERM system creates a more resilient business.

Identifying and assessing climate-related risks

MTN relies on outside experts, published reports and the local knowledge of our operating companies to identify potential climate risks and opportunities. We then rank the materiality of each risk and opportunity by evaluating their likelihood and impact on our business.

Physical CCRA

The CCRA pilot project has been instrumental in increasing our resilience and understanding of climate change and the potential impact on MTN's assets and on our business operations and continuity.

Risk management continued

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. At MTN, we have processes and procedures in place to identify, assess and prepare for the risks associated with climate change. We have integrated climate risk into our overall risk management process and our management team and Board members are empowered to manage climate risks.

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. IFRS S2 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. Risks are prioritised based on a quantified probability and impact assessment, and response strategies developed based on the nature and materiality of the risk, and reported to the local operations' Executive, Audit and Risk Compliance committees as appropriate. MTN has used scenario analyses to evaluate the physical risks of climate change across its key markets.

1 ERM at MTN is a centrally driven strategy and process

2 The objective is to ensure 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

Identifying and assessing climate-related risks

MTN considers several types of climate-related risks: regulations (current and emerging), technology, legal, market, reputation, acute physical and chronic physical. The risk register identifies controls or mitigation measures in place to determine the 'residual risk' impact and the residual risk rating. This residual risk rating allows MTN to prioritise climate-related risks. Finally, the risk register identifies any additional action plans for each climate-related risk.

Risk management process

1. Identify
Identify potential climate-related risks and opportunities and **perform** a materiality assessment

2. Model
Assess the probability of the risk impact and likelihood of our material risks and opportunities

3. Manage
Monitor and mitigate risks, as well as **develop and maintain** effective internal controls

4. Report
Integrate into the overall risk management framework
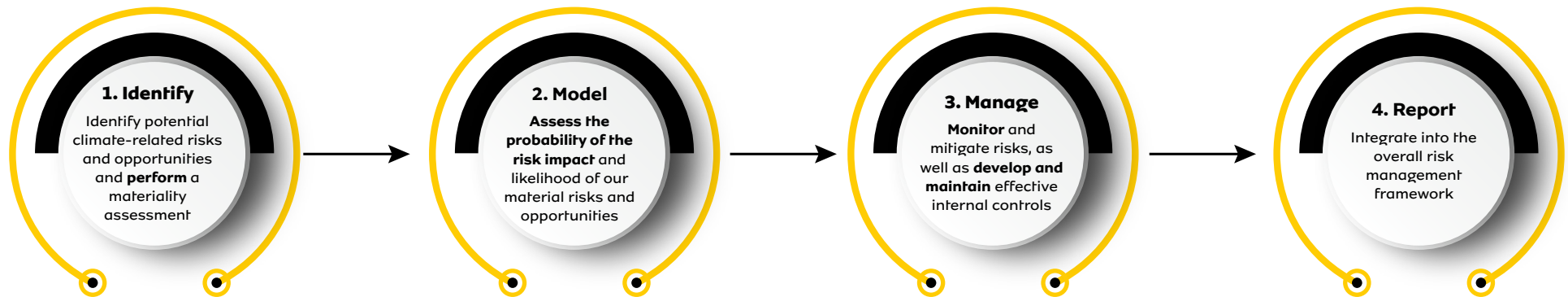
Extreme weather events such as floods and snow have affected MTN operations. In one of our West African operations, a number of BTS sites and data centres were exposed to high intensity thunder and heavy rainfall. This resulted in service disruptions and infrastructure damage, requiring additional capital expenditures. The Group continually motivates all operations to identify and report on physical climate change-related risks on a monthly basis through the carbon footprint reporting process and to ensure mitigation and business continuity plans through the Group's risk and compliance management processes.

To guarantee compliance with core ESG laws and regulations, we have developed comprehensive compliance risk management plans that delineate the specific ESG obligations that must be met and define the necessary controls to achieve compliance. In addition, we verify our level of compliance through a robust process of monitoring and testing, which involves assessing the adequacy and effectiveness of our control environment.

We aim to test our entire compliance universe over three years to make certain we adhere to our compliance requirements.

MTN's Board and its committees oversee an integrated risk management process through regular engagement with management across a broad scope of activities to ensure the effectiveness of risk management. Opco-level risks are discussed at Opco Exco and Opco Audit and Risk Committee meetings.

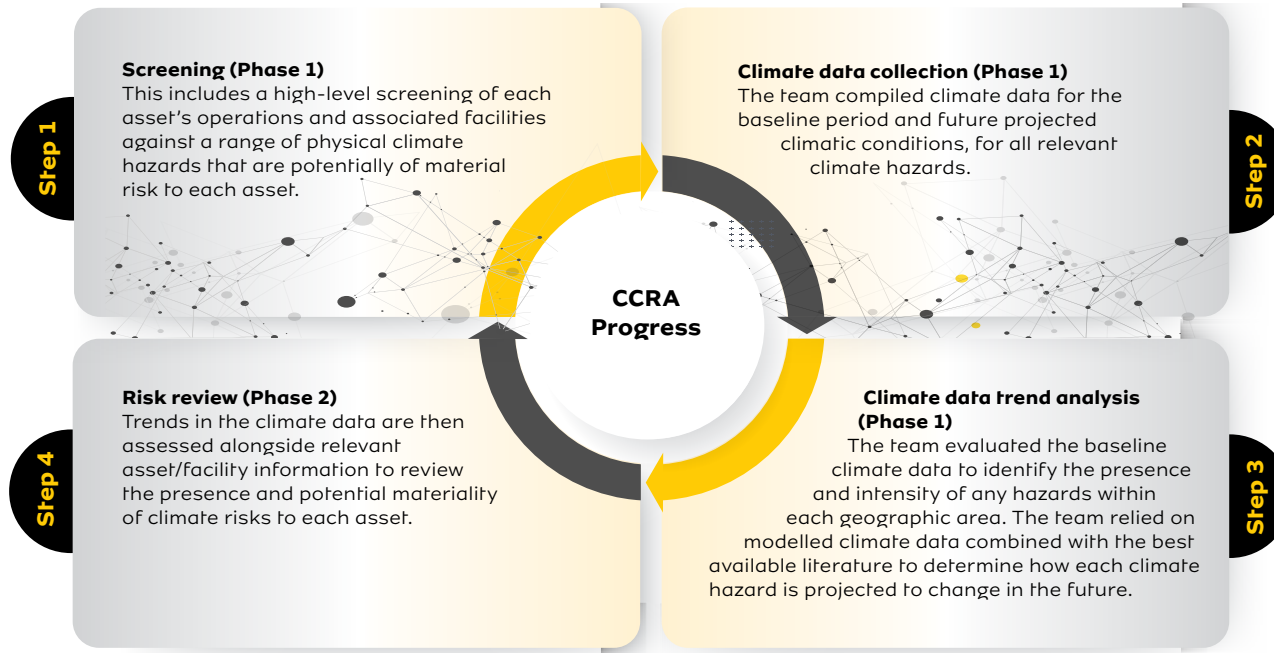# Extreme weather events experienced across our footprint

Physical climate events and their impact on critical infrastructure

Type of climate event	Location	Date	Impacts/Consequences
Flooding	Nigeria	October 2023	The climate event on 7 October 2023 triggered severe flooding in Adamawa State. Water levels began rising on 5 October, causing extensive damage to infrastructure, including roads, shelter facilities, health facilities, IDP sites, schools and other community facilities across 14 out of 21 local government areas. The floods resulted in the large-scale displacement of over 8 504 households (51 043 individuals).
Flooding	South Africa	September/October 2023	South Africa experienced severe weather events in the Western Cape Province and KZN region, causing floods, casualties and infrastructure damage. Between 23 – 26 September 2023, heavy rainfall caused severe flooding in the Western Cape, leading to 11 fatalities from electrocution, impacting over 1 500 structures, and displacing around 2 710 families, along with additional evacuations. Approximately 16 000 people were affected, with significant disruptions in power supply affecting over 100 000 individuals, prompting a major incident declaration in Cape Town. In KZN, between 21 – 22 October 2023, severe thunderstorms and rainfall caused five fatalities, destroying over 70 houses and damaging roads and bridges in various areas.
Flooding	Liberia	September 2023	Heavy rainfall from 1 – 4 September caused flooding in north-eastern counties of Grand Cape Mount, Bong and Montserrado, affecting Kru Town, Gbarnga City and Monrovia's coastal and urban areas. Monrovia and its vicinity experienced a significant impact, affecting approximately 12 450 individuals and causing the loss of infrastructure, fishing settlements and houses.
Flooding	Ghana	September 2023	A controlled spillage from hydroelectric dams led to floods affecting over 26 000 people in the south-eastern region from 15 – 22 September 2023. Downstream communities faced humanitarian challenges as a result of damaged infrastructure, including 527 completely destroyed houses, 98 damaged water facilities and three damaged health facilities.
Heavy rains	Côte d'Ivoire	June 2023	Heavy rainfall in Abidjan City, southern Ivory Coast, led to floods, landslides and five deaths, causing damage to buildings, isolated communities and damaged roads and bridges.
Heavy rains	Rwanda	May 2023	In May 2023, Rwanda faced unprecedented flooding after continuous heavy rainfall. The impact was severe, affecting 14 districts and leading to 131 deaths, 77 injuries and five missing persons. The Western, Northern and Southern provinces experienced the worst devastation, with extensive damage to homes, infrastructure and livelihoods. Over 51 905 people in 10 381 households were affected, and the destruction of houses, crops and livestock was immense. The floods disrupted access to basic services, including schools and hospitals, and hampered market supply systems due to damaged roads.
Heavy rains	Uganda	May 2023	Heavy rains triggered a landslide in the Bulambuli District, claiming lives, destroying multiple homes and restricting access to health centres.
Flooding	Zambia	February/March 2023	Zambia experienced severe flooding from 7 February to March 2023, the worst in over 50 years. Southern Province was most affected, with 25 768 households impacted. Critical infrastructure was damaged, hindering access to basic services, and agriculture-dependent communities faced disruptions as floods submerged crop fields. Livestock, crucial for the local economy, was exposed to risks.
Heavy rains	Cameroon	March 2023	In Buea town, in the Southwest Region of Cameroon, torrential rains in March 2023 triggered flash floods and mudslides, causing casualties and displacing around 3 000 people. Urgent needs included water, sanitation, hygiene, shelter, non-food items, health and protection.
Heavy rains	eSwatini	February 2023	Heavy rains in early February 2023 caused severe flooding, affecting nearly 260 people and damaging infrastructure, including bridges.
Heavy rains	Benin	September 2022	Heavy rains fell across the country in September 2022; 71 270 people were affected and 1 328 households rendered homeless by the destruction. Numerous social and community facilities, including over 50 primary schools and a dozen colleges, were also submerged by floods.

Physical Climate Change Risk Assessment pilot project

In May 2023, MTN started the process of conducting a pilot CCRA to evaluate the physical risks of climate change on select assets. The CCRA is designed to better understand the potential impact of climate change on different asset types.

The CCRA included two phases. **Phase 1 (Country Climate Context and Climate Hazard Screening)** identified material climate hazards that have a potential to impact MTN's assets. **Phase 2 (Physical Risk Review with Mitigations),** which was guided by the results from Phase 1, reviewed the key risks and provided recommendations or mitigation measures for a sampling of assets. The CCRA included the following steps:

Step 1

Screening (Phase 1)
This includes a high-level screening of each asset's operations and associated facilities against a range of physical climate hazards that are potentially of material risk to each asset.

Step 2

Climate data collection (Phase 1)
The team compiled climate data for the baseline period and future projected climatic conditions, for all relevant climate hazards.

CCRA Progress

Step 4

Risk review (Phase 2)
Trends in the climate data are then assessed alongside relevant asset/facility information to review the presence and potential materiality of climate risks to each asset.

Step 3

Climate data trend analysis (Phase 1)
The team evaluated the baseline climate data to identify the presence and intensity of any hazards within each geographic area. The team relied on modelled climate data combined with the best available literature to determine how each climate hazard is projected to change in the future.

The data collection process involved the relevant Opcos to gain first-hand knowledge of the various asset types across the continent and across each market. The objective is to integrate the results of Phase 1 into our risk management framework. The next step of the pilot project was the risk review – based on the results of the screening exercise – to identify key risks posed to the different assets under future climate conditions. Following the risk review, the team compiled potential measures to mitigate the material risks to the operations.

CCRA pilot project scope

Asset types assessed
- Data centre
- BTS sites
- Warehouse
- Building

Countries assessed
- South Africa
- Nigeria
- Ghana
- Cameroon
- Uganda
- Liberia

Climate hazards screened
- Extreme heat
- Extreme cold
- River flooding
- Extreme rainfall flooding
- Coastal flooding
- Tropical cyclones
- Wildfires
- Rainfall induced landslides
- Water stress and drought

Climate scenarios
- SSP1 – 2.6
- SSP5 – 8.5

Time horizons
- 2030
- 2050

Physical Climate Change Risk Assessment pilot project
continued

CCRA Phase 1 findings

The following is a sampling of the country-level results for one of our key markets. The hazard risk scores varied by asset and climate hazard. Within this market, the most material risks for 2050 (SSP5-8.5) were water stress and drought, extreme heat and wildfires (in some locations). The team compiled potential mitigation measures for each of the material risks. Extreme cold events were projected to decline in certain locations and river flooding was only a high risk for one of the locations. In 2024, we will complete Phase 2 of the CCRA and focus on adaptation measures.

Table: Climate hazard risk scores

Asset	Criticality	Wildfires	Water stress and drought	Extreme rainfall flooding	River flooding	Extreme cold	Extreme heat
				Hazard risk scores			
Data Centre	Very Critical	🟢	🟠	🟢	🟢	🟢	🟡
BTS – Urban	Critical	🔴	🟠	🔴	🔴	🟡	🟠
BTS – Rural	Critical	🟡	🟠	🟢	🟢	🟢	🟢
Office building	Critical	🔴	🟠	🟡	🟢	🟡	🟠
Warehouse	Not Critical	🔴	🟠	🟢	🟢	🟡	🟠

🟢 No incremental risk 🟡 Moderate risk 🟠 High risk 🔴 Very high risk

Our targets and performance

MTN relies on various metrics to measure its environmental and social performance.

Our emissions profile

MTN's combined Scope 1 and 2 emissions decreased by 42% in 2023 (from 2021 base year). This was the result of energy efficiency improvements, better grid stability in some areas and increased solar energy usage, as well as the sale of BTS sites. Scope 1 emissions declined 5.3% from base-year levels. Scope 2 emissions – indirect emissions from electricity use – declined by 59.3% from base year. MTN's operating companies continue to invest in measures to reduce energy use and emissions.

BTS sites accounted for 45% of Scope 1 and 2 emissions, utilising a significant amount of electricity and diesel. This is a continued decline from prior years. MTN's Scope 1 and 2 emissions continue to shift to Scope 3 as MTN leases additional BTS sites (where the TowerCo has operational control of the site and power supply).

South Africa (33.7%) and Nigeria (17.6%) are the highest contributors for Scope 1 and 2 emissions for 2023 as they are MTN's two largest markets with extensive network coverage. South Africa is heavily reliant on coal for the production of electricity (>80%), which results in relatively high Scope 2 emissions. South Africa also experienced record levels of loadshedding in 2023, requiring the use of diesel backup generators. By contrast, natural gas is Nigeria's dominant electricity generation source, resulting in a lower carbon intensity.

Measuring our GHG emissions

MTN relies on the guidance provided by the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Scope 3 Corporate Value Chain Standard in developing its Scope 1, 2, and 3 emissions inventory. All MTN Opcos, for which we have full operational control, are included, and further segmented into facility types within each Opco (BTS sites, data centres, buildings, stores and vehicles).

MTN collects energy consumption data from financial invoices and smart metering where applicable, on a monthly basis from each of the Opcos for calculating Scope 1 and 2 emissions. Scope 1 emissions include all stationary, mobile and fugitive emissions for each Opco. Scope 2 emissions are calculated based on grid and IPP metered electric supply. The Scope 1 and 2 data undergo thorough quality control processes on a monthly basis to identify any potential outliers, as well as a rigorous internal audit process, annually. We are also considering an external verification process. Scope 3 emissions are calculated annually for each Opco, leveraging central datasets and systems. Scope 3 emissions account for 85% of MTN's total GHG emissions and are the most challenging to compile, and an improvement plan is underway in 2024 to rely on local data sourcing.

Emissions data is reflected on a PowerBi Dashboard for MTN's Project Zero tracking. This empowers Opcos to view how they are faring against Net Zero targets for the current year and how they are tracking in comparison to historical consumption/ emissions.

The IFRS S2 reporting standards request additional metrics, including:
1. The amount and percentage of assets or business activities vulnerable to climate-related transition risks.
2. The amount and percentage of assets or business activities vulnerable to climate-related physical risks.
3. The amount and percentage of assets or business activities aligned with climate-related opportunities.
4. The amount of capital deployed towards climate-related risks and opportunities.
5. Internal carbon prices. MTN will continue to evaluate these additional metrics to determine if we can provide reliable reporting and disclosure.

MTN improves its CDP score in 2023

Since 2002, the CDP has been conducting an annual survey, requesting that global companies disclose information on their climate change management and GHG emissions through the CDP platform.

In 2023, a record-breaking 23 000+ companies responded to the CDP questionnaire, representing at least two-thirds of global market capitalisation.

MTN achieved a B rating for its 2023 CDP climate change disclosure with high scores for its governance practices (A), climate targets (A), risk management processes (A-), and emissions reduction initiatives (A). This marked an improvement over the prior year's score.

Our supplier engagement score declined from A- to B- and in 2024, we will address gaps in our supplier engagement actions.
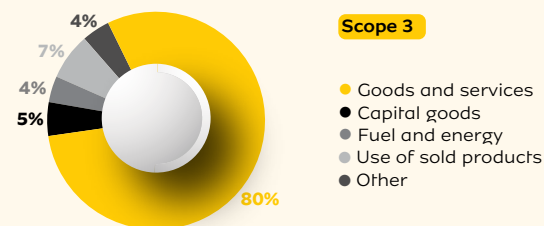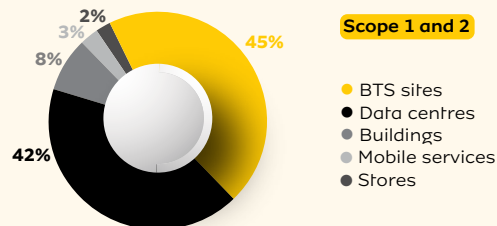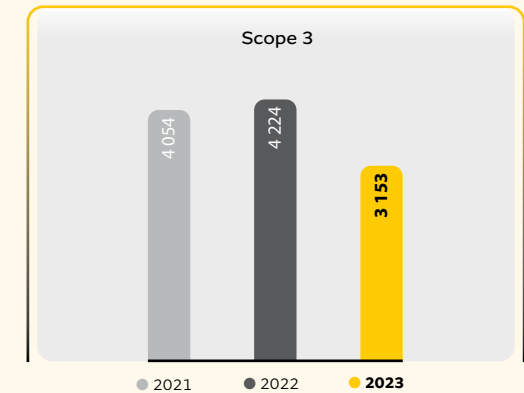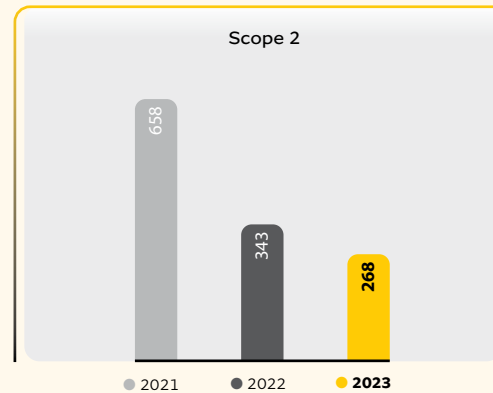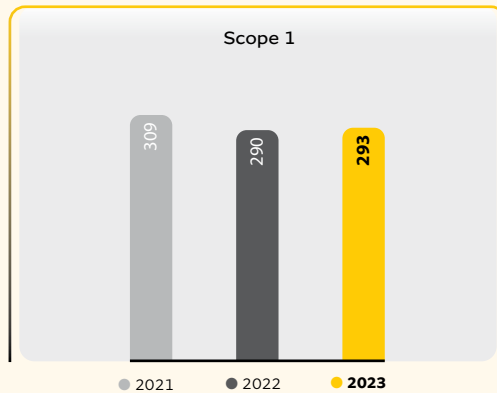
Our targets and performance continued

MTN is committed to reducing its carbon footprint, including its direct operational emissions, as well as its indirect supply chain emissions.

Our climate and energy data can be found in our ESG Data Booklet

MTN Group greenhouse gas emissions
thousand tonnes CO_2e

Total Scope 1, 2 and 3 emissions in 2023: 3 713 380 tonnes

Scope 1
- 309 (2021)
- 290 (2022)
- 293 (2023)

Scope 2
- 658 (2021)
- 343 (2022)
- 268 (2023)

Scope 3
- 4 054 (2021)
- 4 224 (2022)
- 3 153 (2023)

Scope 1 and 2
- 45% BTS sites
- 42% Data centres
- 8% Buildings
- 3% Mobile services
- 2% Stores

Scope 3
- 80% Goods and services
- 5% Capital goods
- 4% Fuel and energy
- 7% Use of sold products
- 4% Other

Supplier engagement

20%

Suppliers (by spend) that have adopted the MTN pledge, committing to Net Zero emissions

See "Notes on carbon footprint" (page 48) for important details on MTN's carbon footprint methodology.

Our targets and performance continued

MTN Group has established an ambitious set of science-based targets based on SBTi's advice and recommendations.

▶ **Boundary:** Targets include all entities for which MTN Group has operational control, including data centres, BTS sites, offices, retail location and warehouses.

▶ **Targets:** Targets for Scope 1 and 2 emissions based on absolute reduction targets (absolute contraction approach). Scope 3 emissions are divided into two parts, with 5.1% of base-year emissions subject to an absolute reduction target (-50% by 2030) and 62.1% of base-year emissions subject to supplier engagement target.

▶ **Baseline:** Recent base-year period (2021).

▶ **Scope:** All GHGs are included within the target (e.g., CO_2, methane and HFCs).

▶ **Timeline:** Medium and long-term reduction targets.

Scope 1 and 2 emissions	2022 (%)	2023 (%)	2024 (%)	2025 (%)	2026 (%)	2027 (%)	2028 (%)	2029 (%)	2030 (%)	**2040 (%)**
Scope 1	(3.5)	(7.5)	(12.5)	(17.5)	(23.5)	(29.5)	(36)	(43)	(50)	**Net Zero**
Scope 2	(3.5)	(7.5)	(12.5)	(17.5)	(23.5)	(29.5)	(36)	(43)	(50)	**Net Zero**

MTN Group Limited commits to reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2021 base year. MTN Group Limited also commits to reduce absolute Scope 3 GHG emissions from fuel and energy-related activities 50% by 2030 from a 2021 base year. MTN Group Limited commits that 80% of its suppliers by spend covering purchased goods and services and capital goods will have science-based targets by 2026.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Going forward

As we look ahead, MTN is fully committed to implementing its climate action plans with the aim of achieving Net Zero emissions by 2040. We firmly believe sustainability is not only crucial for business growth, but also for the wellbeing of our stakeholders and the planet. By creating shared value through our ESG and economic practices, we are actively contributing to a more sustainable business model while improving the lives of people in our communities.

To achieve our sustainability goals, we will prioritise renewable energy, responsible water and waste management, biodiversity conservation and effective climate risk management. We are considering options for implementing an internal carbon price to support our decarbonisation efforts. By assigning a monetary value to carbon emissions, we can internalise the costs associated with our environmental impact and drive the adoption of sustainable practices across our organisation.

Continual improvement is at the core of our sustainability journey. We understand there is no panacea to the climate crisis, but we are committed to taking responsible action and continuously striving for better outcomes. This means regularly assessing our performance, identifying areas for improvement and implementing innovative solutions to reduce our environmental footprint. We will continue to engage with our suppliers to reduce Scope 3 emissions, embedding sustainability practices throughout our value chain. Additionally, we will implement Opco-level GHG abatement strategies to reduce emissions across our operations, focusing on energy efficiency measures, renewable energy adoption and waste reduction initiatives.

In line with our commitment to transparency, we will continue to monitor and report our progress towards achieving our sustainability goals. Comprehensive climate disclosures will enable us to be accountable and provide our stakeholders with clear insight into our environmental performance. We are dedicated to engaging with our Board members, employees and customers to address the risks and opportunities associated with climate change. With a strong commitment to responsible action and the collective efforts of our talented team, we are optimistic about our ability to make a positive impact and contribute to a more sustainable future for the planet.

Notes on carbon footprint

- Scope 1 and 2 emissions were calculated based on energy use data compiled by each of the MTN operating companies and internal audits were performed to confirm the data (with the exception of Guinea Conakry and Sudan).
- For Sudan, MTN used 2022 data because of the political crisis in the country.
- Grid emission factors and supplier specific emission factors (for Independent Power Producers) were updated for the calculation of Scope 2 emission factors.
- Renewable Energy Credit (REC) purchases have been applied for MTN Bayobab Dubai (252.4MWh).
- Scope 3 emissions include calculations and estimates of upstream and downstream value chain emissions, including Category 1, 2, 3, 4, 6, 7, 14 and 15.
- In some cases, emissions from purchased goods (Category 1) were estimated based on spend data; these estimates will be further refined based on actual quantity data supplied by tower companies.
- MTN is revisiting the process for collecting waste data (Category 5) to ensure accuracy and completeness.
- Emissions from employee commuting were estimated based on headcount; these estimates will refined in the future with employee survey data.
- For franchises (Category 14), MTN extrapolated based on a count of stores; this approach will be refined from 2024 onward.
- MTN highlights performance including and excluding South Africa because the MTN SA carbon footprint has been impacted by loadshedding and the divesture of BTS sites.

Glossary of terms

As defined by IFRS S2 Climate-related Disclosures

Terminology	Definition
Carbon credit	An emissions unit that is issued by a carbon crediting programme and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialised, issued, tracked and cancelled by means of an electronic registry.
Climate resilience	The capacity of an entity to adjust to climate-related changes, developments or uncertainties. Climate resilience involves the capacity to manage climate-related risks and benefit from climate-related opportunities, including the ability to respond and adapt to climate-related transition risks and climate-related physical risks. An entity's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments and uncertainties.
Climate-related physical risks	Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature, which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity. These risks could carry financial implications for an entity, such as costs resulting from direct damage to assets or indirect effects of supply-chain disruption. The entity's financial performance could also be affected by changes in water availability, sourcing and quality; and extreme temperature changes affecting the entity's premises, operations, supply chains, transportation needs and employee health and safety.
Climate-related risks and opportunities	Climate-related risks refers to the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities refers to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity.
Climate-related transition plan	An aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions.
Climate-related transition risks	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.
CO_2 equivalent	The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.
Financed emissions	The portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
Global warming potential	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO_2.
Greenhouse gases	The seven greenhouse gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF_3); perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).
Indirect greenhouse gas emissions	Emissions that are a consequence of the activities of an entity, but occur at sources owned or controlled by another entity.
Internal carbon price	Price used by an entity to assess the financial implications of changes to investment, production and consumption patterns, and of potential technological progress and future emissions abatement costs. An entity can use internal carbon prices for a range of business applications. Two types of internal carbon prices that an entity commonly uses are: (a) a shadow price, which is a theoretical cost or notional amount that the entity does not charge but that can be used to understand the economic implications or trade-offs for such things as risk impacts, new investments, the net present value of projects, and the cost and benefit of various initiatives; and (b) an internal tax or fee, which is a carbon price charged to a business activity, product line or other business unit based on its greenhouse gas emissions (these internal taxes or fees are similar to intracompany transfer pricing).
Latest international agreement on climate change	An agreement by states, as members of the United Nations Framework Convention on Climate Change, to combat climate change. The agreements set norms and targets for a reduction in greenhouse gases.
Scope 1 greenhouse gas emissions	Direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity.
Scope 2 greenhouse gas emissions	Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 greenhouse gas emissions physically occur at the facility where electricity is generated.

Glossary of terms continued

As defined by IFRS S2 Climate-related Disclosures

Terminology	Definition
Scope 3 greenhouse gas emissions	Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
Scope 3 categories	Scope 3 greenhouse gas emissions are categorised into these 15 categories, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011): (1) Purchased goods and services. (2) Capital goods. (3) Fuel- and energy-related activities not included in Scope 1 greenhouse gas emissions or Scope 2 greenhouse gas emissions. (4) Upstream transportation and distribution. (5) Waste generated in operations. (6) Business travel. (7) Employee commuting. (8) Upstream leased assets. (9) Downstream transportation and distribution. (10) Processing of sold products. (11) Use of sold products. (12) End-of-life treatment of sold products. (13) Downstream leased assets. (14) Franchises. (15) Investments.
Business model	An entity's system of transforming inputs through its activities into outputs and outcomes that aims to fulfil the entity's strategic purposes and create value for the entity and hence generate cash flows over the short, medium and long term.
Disclosure topic	A specific sustainability-related risk or opportunity based on the activities conducted by entities within a particular industry as set out in an IFRS Sustainability Disclosure Standard or a SASB Standard.
General purpose financial reports	Reports that provide financial information about a reporting entity that is useful to primary users in making decisions relating to providing resources to the entity. Those decisions involve decisions about: (a) Buying, selling or holding equity and debt instruments. (b) Providing or selling loans and other forms of credit. (c) Exercising rights to vote on, or otherwise influence, the entity's management's actions that affect the use of the entity's economic resources. General purpose financial reports include – but are not restricted to – an entity's general purpose financial statements and sustainability-related financial disclosures.
Impracticable	Applying a requirement is impracticable when an entity cannot apply it after making every reasonable effort to do so.
Primary users of general-purpose financial reports (primary users)	Existing and potential investors, lenders and other creditors.
Value chain	The full range of interactions, resources and relationships related to a reporting entity's business model and the external environment in which it operates. A value chain encompasses the interactions, resources and relationships an entity uses and depends on to create its products or services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity's operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing, and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which the entity operates.

Administration

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 Mupita[1]
TBL Molefe[1]
NP Gosa^
PB Hanratty[2]^
S Kheradpir[3]^
SN Mabaso-Koyana^
SP Miller[4]^
CWN Molope^
N Newton-King^
T Pennington[5]^
NL Sowazi^
SLA Sanusi[6]^
VM Rague[7]^

[1] Executive
[2] Irish
[3] American
[4] Belgian
[5] British
[6] Nigerian
[7] Kenyan

^ Independent non-executive director
# Non-executive director

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

Registered office
216 – 14th Avenue
Fairland
Gauteng, 2195

American depository 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

Auditor
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
J.P. 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

Contact details
Telephone: International +27 11 912 3000
Facsimile: National 011 912 4093
              International +27 11 912 4093

E-mail
sustainability@mtn.com

Website
http://www.mtn.com

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29 April 2024

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. Director responsibility and forward looking statements have not been reviewed or audited by the external auditors

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 2023, MTN Group implemented a SDG reprioritisation tool to determine the SDGs and SDG Ambition Benchmarks on which we could deliver the biggest impact, while creating business value. As part of our sustainability strategy, we have identified primary and secondary UNSDGs where we have the greatest contribution, aligning these with our four sustainability pillars. Guided by the best practice proposed in the SDG Compass and the SDG Impact Standards we have conducted a comprehensive analysis of impact along MTN's value chain to help identify which SDGs MTN is best positioned to make a difference on. As we further engage with business and look to consciously embed SDGs in our organisation there could be slight adjustments to MTN's priority areas.

www.mtn.com

Tel: +27 11 912 3000
Innovation Centre
216 14th Avenue
Fairland, 2195
South Africa