



## **MTN Group Limited**

Sustainability Report for the year ended 31 December 2020

**Leading digital solutions for Africa's progress**



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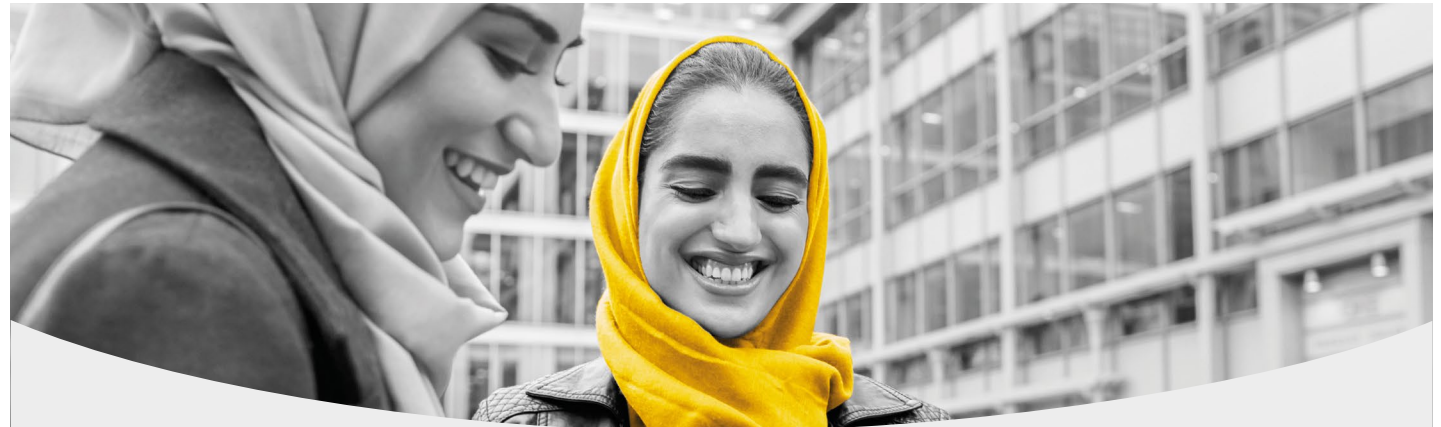
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**MTN's belief is that everyone deserves the benefits of a modern connected life.**

**Progressing the United Nations Sustainable Development Goals (SDGs)**

We view sustainability as an integral part of MTN's value-creation journey.

The UN SDGs on which we have the greatest impact are highlighted below:

### Online information

Additional reports and more information about MTN and its sustainability are available on our website.



### Our online reports:

- CDP** Carbon Disclosure Project
- IR** Integrated Report
- KIV** King IV™
- SE** Social and Ethics Report
- TAX** Tax Report
- UN** UN Global Compact

### Other icons:

- www.mtn.com
- Limited assurance obtained
- Five-year review
- COVID-19

### Our material stakeholders:

- MTN people
- Subscribers/customers
- Investment community
- Civil society
- Governments and regulators





# About this report

We provide our stakeholders with the information they need to assess our performance through a suite of complementary reports for the period from 1 January 2020 to 31 December 2020. This report offers a balanced, accurate and accessible overview of our performance in relation to our sustainability.

## Scope and boundaries

This report covers operations in Afghanistan, Benin, Cameroon, Congo-Brazzaville, Guinea-Bissau, Guinea-Conakry, Ghana, Iran, Côte d'Ivoire, Liberia, Nigeria, Rwanda, South Africa, Sudan, South Sudan, eSwatini, Syria, Uganda, Yemen, Zambia, and MTN Enterprise operations in Kenya and Namibia.

MTN Yemen and MTN Syria have been excluded from environmental reporting due to data collection challenges. Mascom Botswana is excluded from sustainability reporting based on our indirect ownership holding. Some MTN Group head office services are undertaken in the United Arab Emirates (Dubai) in leased offices and are deemed immaterial for environmental reporting.

## Sustainability reporting standards and guidelines

Disclosures within this report are guided by the Global Reporting Initiative (GRI) Standards, the United Nations Global Compact (UNGC) as a signatory member, the Carbon Disclosure Project (CDP), UN Guiding Principles on Business and Human Rights, the FTSE/JSE Responsible Investment Index Series, and the King Code of Governance Principles (King IV™)<sup>1</sup>.

## Our suite of reports complies with the following reporting standards:

The IIRC's <IR> Framework	IR	AFS
Companies Act, No 71 of 2008, (as amended)	IR	AFS
JSE Listings Requirements	IR	AFS
FTSE/JSE Responsible Investment Index	SR	
King IV™ <sup>1</sup>	IR	AFS SR
International Financial Reporting Standards (IFRS)	IR	AFS
UN Global Reporting Initiative (GRI)	SR	GRI IR
UN Sustainable Development Goals	SR	IR
Carbon Disclosure Project	SR	CDP

## Data collection

Information sourced from various information management systems – and management and Board committee reports – has been used to compile this report. Additional data was obtained from investor and stakeholder engagements, surveys, research and benchmarking. Limitations: The challenges associated with the COVID-19 pandemic experienced by MTN affected certain countries' ability to collect selected eco-responsibility performance information for this reporting year. This resulted in a limitation regarding the completeness of the eco-responsibility performance information included in this report.

## Exchange rate

All financial data is reported in South African Rand (R), using the average exchange rate from January to December 2020 of R16,46 to US\$1 (2019: R14,44 to US\$1).

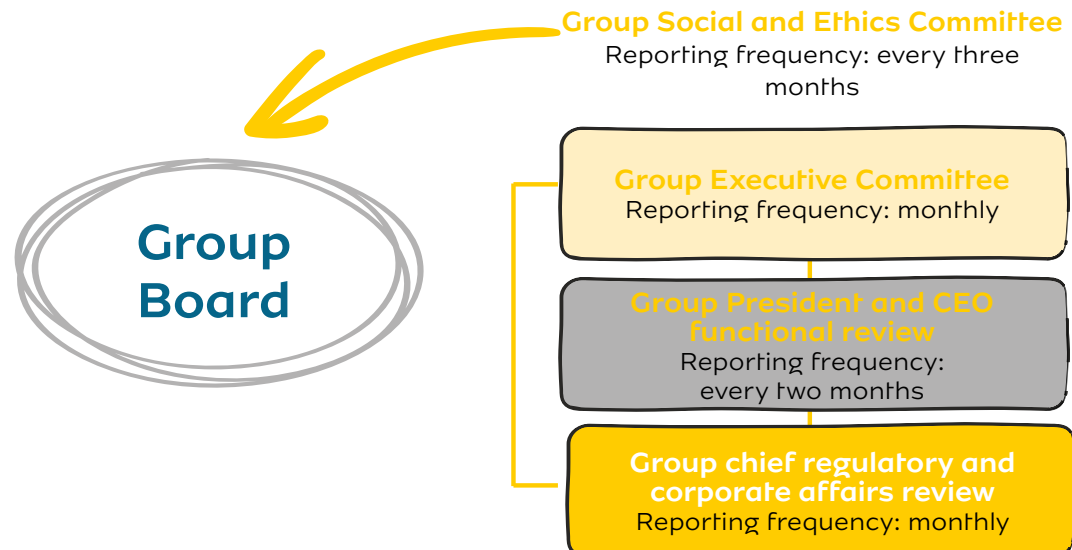
## Combined assurance

Select indicators in this report have been independently verified both internally and externally. Refer to the Group's independent assurance report for details.

## Directors' responsibility

The MTN Group Board has overall accountability for the 2020 Sustainability Report. It has delegated responsibility for overseeing the sustainability management and reporting process to the MTN Group Social and Ethics Committee. Refer to the social and ethics statement for details.

The Social and Ethics Committee has read this report and considered the integrity and completeness of the material aspects and information contained in it. The Committee is satisfied that this is a fair representation of the material matters and provides a balanced view of our responsible business strategy and performance.



<sup>1</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all rights are reserved.

# Who we are

MTN is an emerging market mobile operator at the forefront of technological and digital changes. Inspired by our belief that everyone deserves the benefits of a modern connected life, we provide a diverse range of voice, data, digital, fintech, wholesale and enterprise services to more than 280m customers in 21 markets.

We were established in South Africa at the dawn of democracy, in 1994, as a leader in transformation. Since then, we have grown by investing in sophisticated communication infrastructure, developing new technologies and by harnessing the talents of our diverse team of people to now offer services to communities across Africa and the Middle East.

Our revised strategy, Ambition 2025, is anchored in building the largest and most valuable platform business with a clear focus on Africa. This will rest on a scale connectivity and infrastructure business using both mobile and fixed access networks across the consumer, enterprise and wholesale segments. Implementing this growth strategy will be accelerated through selective partnerships and leveraging MTN's brand as the most trusted and valued in Africa, while it will be supported and funded through enhanced cost and capital expenditure efficiencies. The execution of Ambition 2025 is embodied in four clear strategic priorities, and we have identified five vital enablers to assist in operationalising our strategy.

Belief statement

**"Everyone deserves the benefits of a modern connected life"**

Strategic intent

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

**2025**

Strategic priorities

Build the **largest and most valuable platforms**

Drive **industry-leading connectivity operations**

Create **shared value**

Accelerate portfolio **transformation**

Vital enablers

Leading **customer experience**

Best **talent, culture and future skills**

Value-based **capital allocation**

ESG at the **core**

Technology **platforms second to none**

Values

Leadership

Innovation

Relationships

Integrity

Can do





# Our year at a glance

In 2020, MTN supported customers in realising the benefits of a modern connected life through our sustainability framework. We actively monitor our progress and impact through various indicators throughout this report, with key impact indicators highlighted below.

## Belief statement

"Everyone deserves the benefits of a modern connected life"



Eco-responsibility



7  
AFFORDABLE AND CLEAN ENERGY



12  
RESPONSIBLE CONSUMPTION AND PRODUCTION



13  
CLIMATE ACTION

**47%** average reduction in **absolute emissions (tCO<sub>2</sub>e)** for scope 1, 2 and 3 by 2030 and net zero by 2040

**77,6%** average reduction in **energy consumption** per subscriber by 2030

**1 330 rural sites** powered by **solar** and growing



Sustainable societies



5  
GENDER EQUALITY



10  
REDUCED INEQUALITIES

**32,9%** reduction in average **data tariff, bringing down the cost of communicating**



**US\$152bn** Value of **MoMo transactions**, advancing financial inclusion

**33% female** representation at Board and **29%** at **senior management level**<sup>^</sup>



Governance



16  
PEACE, JUSTICE AND STRONG INSTITUTIONS

**79%** increase in **reputation and trust\*** with our **priority stakeholders**



**Ranked 7th** of **telecommunications companies** on 2020 Ranking Digital Rights Index – **greatest overall improvement**



**10 284 ethics e-learning** modules completed by staff



Economic value



8  
DECENT WORK AND ECONOMIC GROWTH



17  
PARTNERSHIPS FOR THE GOALS

**>R50bn** expenditure on networks in support of **fixed investment** in our markets



**>R30bn** tax contribution to host nations' fiscus



**~5 million** strong distribution agent network, promoting **enterprise and employment**

<sup>^</sup> Includes incoming Group Chief Financial Officer, announced in December 2020.

\* Based on annual Reputation Index Survey.

# Group President and CEO on sustainability



Group Chief Executive Officer  
Ralph Mupita

**As a pan-African organisation, we wish to play our part in leading digital solutions for Africa's progress.**

## A year defined by the pandemic

Our world changed in unprecedented ways in 2020, as we all shared the trauma of the pandemic that defined it. My sincere condolences to everyone who lost a friend, colleague or loved one to the disease. My thoughts are also with those who suffered the economic impact of COVID-19. I would also like to acknowledge the tireless efforts of healthcare and frontline workers across our markets.

The spread of COVID-19 led to a seismic shift in the consumer and business landscapes. Individuals and institutions rushed to embrace digital technologies to enable human connections. This stimulated the need for access to reliable and affordable digital services. The pandemic also highlighted the need for business to take a critical role in addressing these societal needs and deepening inclusion.

MTN acted swiftly to address the challenges, prioritising our people, customers and communities, as well as looking after our business. Through our US\$25m donation to the Africa Centres for Disease Control and Prevention, we were particularly pleased to be able to help in ensuring COVID-19 vaccines are made available to health workers across Africa. We were also fortunate to turn many of the challenges brought on by the pandemic into opportunities.

### Evolving our strategy in support of sustainability

We revised our strategy, launching Ambition 2025: Leading digital solutions for Africa's progress, a key pillar of creating shared value. With environmental, social and governance (ESG) principles at the core of our strategy, we acknowledge the importance of driving economic value sharing through the responsible ESG practices articulated in our sustainability framework.

In support of our ESG commitments, I have accepted a 10% sustainability and ESG weighting to my short-term key performance indicators. This will reinforce the implementation of our #GoodTogether initiatives and the integration of ESG at the core of our business as planned and approved by the board.

COVID-19 has exacerbated underlying economic and social inequalities and is unfolding at the same time as a mounting climate crisis. As a result, instilling sound ESG principles is fundamental to building resilience and ensuring that MTN is future fit.

We are excited about the next chapter in our MTN story. We recognise the good progress made in our sustainability efforts so far, but we want to achieve more. For this reason we have made significant commitments to achieve net zero emissions by 2040 and to drive digital and financial inclusion.

To bring about real, tangible and measurable impacts, MTN has identified the following shared value objectives:

- A step-change in the ESG positioning of the Group.
- Broad-based ownership and inclusion across our markets.
- A sentiment shift through stakeholder management efforts.

### Building a sustainable future together

It is clear that we want to solve problems that matter. However, we cannot do this alone, and understand that we must work in partnership with others to build a new, more resilient world. Looking ahead, we see success not only in being a leading emerging markets mobile operator, but in being an African champion, advancing connectivity, partnering for socioeconomic progress and being a leader in ESG issues across our markets. In this growth phase, we will leverage our diverse and inclusive culture to achieve our strategic intent of leading digital solutions for Africa's progress. We look forward to working together with our many stakeholders to make our Ambition 2025 a reality.

**We are excited about this next chapter in the MTN story and we recognise that we need to run and operate our business with sustainability at the core.**



# Our sustainability approach

Sustainability is at the core of our business strategy as we strive to create shared value for our stakeholders. We realise the importance of driving economic value sharing through responsible environmental, social and governance practices as outlined within our sustainability framework.

## Eco-responsibility

One of the most significant ways business is shaping the world we live in is through energy use and its contribution to climate change. Scientists and policymakers largely agree that Africa's population is more vulnerable to the effects of climate change than many other regions globally. In 2020, humanity's relationship with nature was tested on an unprecedented scale as the COVID-19 pandemic affected individuals and societies across the globe. At the same time, the pandemic brought the environmental crisis to the fore, providing a warning of the risks associated with inaction in the face of overwhelming consensus from the scientific community on global threats such as pandemics and climate change.

We believe the growth and success of any business should not come at the expense of the future of our planet. As a result, we take responsibility for our environmental impacts and manage the aspects within our control throughout our geographic footprint in Africa and the Middle East.

## Sustainable societies

Building a digital platform to drive digital transformation across Africa and the Middle East is pivotal to serving societies' interests. The digital revolution is a powerful agent for transforming society for the better; conversely, a lack of access to the digital world creates wider social and economic disparities.

As an emerging market operator, addressing social challenges is an inherent part of our business. MTN can flourish only when the communities and ecosystems in which it operates are healthy. We strive to operate ethically, transparently and accountably by addressing all the concerns relevant to our stakeholders and balancing them, while still meeting our licence obligations. Leveraging the size, resources and capabilities of our business, we enable socioeconomic development in the communities within which we operate. This is underpinned by our core belief that everyone deserves the benefits of a modern, connected life.

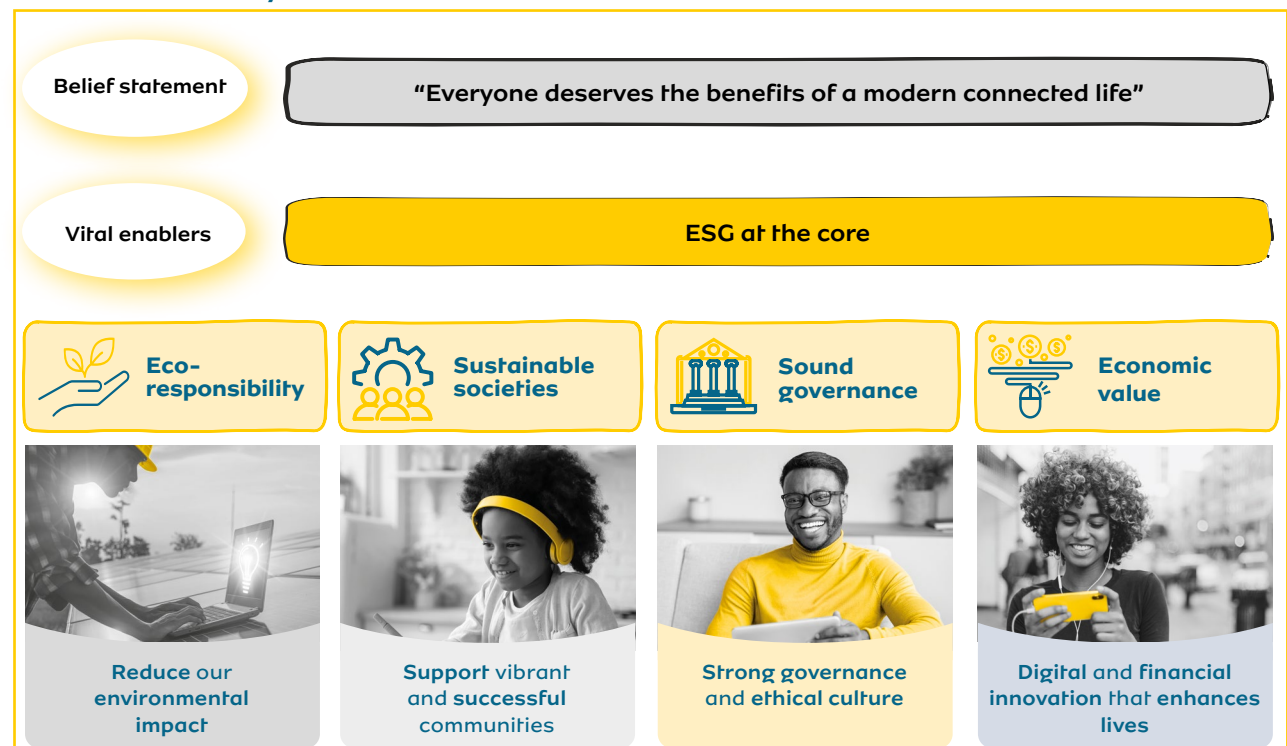
## Sound governance

A strong governance framework fosters sustainability, establishes sustainable values and embeds a value-driven organisational culture. Good governance promotes accountability and transparency, underpinning efficient management of human, natural, economic and financial resources. Sound governance includes ethical conduct, robust risk management and regulatory compliance,

which is fundamental in our shared-values approach and in ensuring our long-term sustainability.

Our governance practices assist us in preventing and mitigating risks in our operating environments, as well as building trust with our stakeholders. COVID-19 has brought increased uncertainty and volatility. Despite this, we remain deeply committed to ensuring stakeholder value creation by maintaining strong corporate governance.

## Our sustainability framework





# Our sustainability approach continued

## Economic value

Mobile technologies and services contributed as much as 4,7% to gross domestic product (GDP) globally in 2019. This significant figure is estimated to increase to 4,9% of GDP by 2024, as countries continue to benefit from the related improvements in productivity and efficiency<sup>1</sup>.

MTN's success is closely linked to inclusive socioeconomic growth and development in Africa. We provide the foundation for a modern connected life through our extensive and resilient networks and a wide range of products and services tailored to emerging market needs. As one of Africa's largest digital operators, MTN plays a pivotal role in addressing considerable gaps in access to

connectivity by driving mobile and internet adoption. Connectivity provides access to financial technology (fintech) and digital solutions that pave the way for participation in economic activities and education, enhancing lives and strengthening communities. In 2020, this was highlighted by the accelerated need for broadband access during the COVID-19 pandemic.

## MTN's 2020 ESG performance

MTN recognises the distinction between sustainability and environmental, social and governance issues, which lies at the heart of measuring a company's performance from an ESG perspective. We acknowledge there is no existing

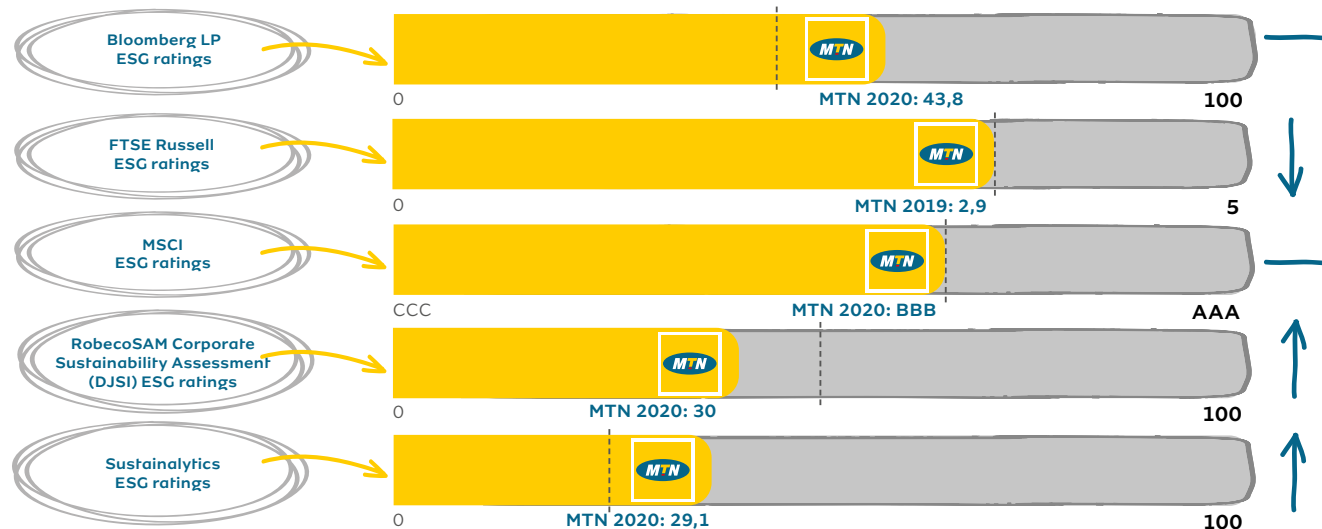
global standard to measure ESG performance, nor a sector-specific measure.

MTN deems ESG management and performance as an opportunity to implement our vision of creating shared value for all stakeholders through responsible economic, environmental and social practices.

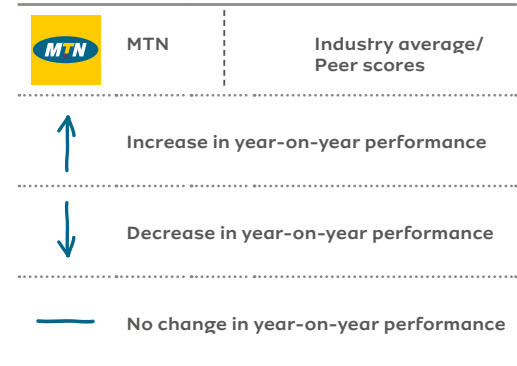
MTN's ESG performance is rated by several firms and is an important proxy for stakeholders regarding MTN's management of key ESG topics, including sector-specific matters. During 2020, MTN established a baseline across priority firms that rate MTN's ESG performance, to develop an action plan to improve our rating in the coming years.

MTN's latest scores across these firms are presented below in relation to peer or industry performance.

## MTN ESG ratings



### Key



<sup>1</sup> GSMA – The mobile economy 2020.

# Our COVID-19 Y'ello Hope response

Overall, we performed well in our response to COVID-19, with a score of 73%. Across all indicators, more than 50% of survey respondents agreed or strongly agreed that our response was positive and contributed to assisting them. However, we do see opportunities to do more in terms of communicating the assistance that MTN has provided to communities.

## Turmoil engulfed 2020

The spread of the COVID-19 pandemic in early 2020 led to lockdowns in most of our markets, slowing down economic activity and restricting people's movement. This state of flux and uncertainty created challenges and opportunities. Everyday life changed for most people and the impact on health and wellbeing was pervasive.

For connected individuals, many activities moved online during lockdowns, highlighting the necessity for connectivity. The affordability of services for those seeking the benefits of connectivity, particularly data, was highlighted as a challenge, as we saw a shift from voice to data. In this time of higher demand, we experienced site rollout delays and supply chain disruptions. Beyond our network, the pandemic also triggered volatility in the currency and capital markets, affecting our funding and liquidity.

The pandemic brought persistent global digital inequalities into focus, with the most vulnerable in our society most affected. Within our markets, the pandemic exposed inequalities in access to digital services between countries – and within countries – and between rural and urban customers.

## Taking action

MTN acted swiftly to address various challenges in our markets resulting from the crisis. Throughout our operations we implemented safety measures to protect our people, customers and the communities in which we operate. Before lockdowns were announced in several of our markets, our employees started to work from home. Our resilience in these unprecedented times has been possible thanks to the dedication of MTNers who remained agile throughout.

In March 2020, we launched our Y'ello Hope response, to address the challenges brought on by this, prioritising our people, customers and communities, as well as looking after our business.

Working and learning from home dramatically increased demands on our networks, driven largely by a rise in residential usage. In the face of these demands, we maintained our networks' resilience and capacity and continued to provide the speeds and reliability that our customers have come to expect from us. We have also invested in increasing our capacity to ensure that we can provide our services to all who rely on them. At the same

time, we appreciate the importance of building financial resilience by conserving cash and increasing liquidity.

The pandemic demonstrated the importance of digital and financial inclusion to all, whether through enterprise opportunities or mobile money. Beyond providing network infrastructure we have also focused on the development of our digital channels. We continue to provide innovative offerings that address the needs of our customer segments.

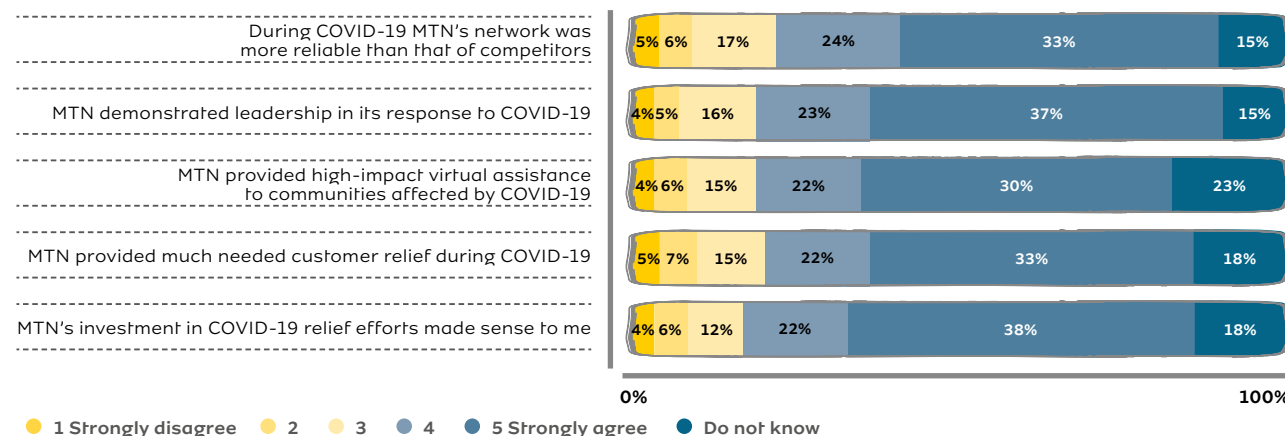
## A new normal will emerge

As we move forward, we must remain agile. Supporting our staff and communities remains essential to our success as we recognise that our success is connected to their wellbeing. We continue to support the continent's health system, as demonstrated by our donation of US\$25m to support the African Union's (AU) COVID-19 vaccination programme. The donation will help secure an estimated seven million doses of the COVID-19 vaccine for health workers across the continent, contributing to the African Centres for Disease Control and Prevention's vaccination initiative.

We must continue the momentum we have gained in accelerating digitisation. Internet-enabled products and services are vital to maintaining our economies and societies as well as our basic health and safety. Government, education and healthcare service providers largely support this digital transformation.

Looking forward, we must build back better, establishing an equitable and resilient society, able to provide the benefits of a modern connected life.

## Perceptions about MTN's COVID-19 response



# Our COVID-19 *Y'ello* Hope response continued



## For staff

Creating a safe and supportive working environment



## For customers

Keeping people connected



Y'ello Hope



## For governments

Offering relief for PPE and mass communication



## For communities

Providing emergency food assistance



## Implemented work-from-home

Preventive **health and safety** provisions in place



**R21m** raised for **Global Staff Care Emergency Fund**

**R9,5m** disbursed, touching the lives of **12k** MTNers



**28m** free P2P transactions

**6 144TB** of free data made available via ayoba app



**26,6bn** free SMSes made available to customers

**108,6TB** of zero-rated traffic to **educational and school** websites



**R58m** donated to **six countries** as **government relief funds**

**R40,5m** donated in **Personal Protective Equipment (PPE)** and **healthcare support**



**3bn** COVID-19 **government initiated** SMSes sent to customers

**30k** hospital staff SIMs with **free** **airtime**



**120k** people benefiting from **83k** food packages

**R8,4m** contributed towards **food security**



Launch of **'Wear it for me'** campaign across **all markets**

**US\$25m** donated in support of **AU's vaccination programme**





# Our stakeholders

Standardised, consistent and well-governed stakeholder engagement is a business imperative for the MTN Group. To this end, a framework comprising of the MTN Group Stakeholder and Reputation Management Strategy, Policy and Blueprint were approved by the Board in 2018.

In serving the Group's strategic intent, the **Strategy** distinguishes between nine stakeholder categories based on their stake in the Company. These stakeholder categories vary from employees, customers, trade partners and suppliers in our value chain activities, to regulators and peers in the industry, priority stakeholders in government, the media and civil society in the broader socio-political environment, and the investment community.

Three strategic priorities in the **Strategy** inform MTN's stakeholder and reputation management efforts in all our markets, while the **Policy** governs our conduct in line with the King IV principles. Guided by a **Blueprint** for stakeholder management, operating companies proactively plan, monitor and evaluate their engagement with priority stakeholders to (1) drive reputation, (2) build relationships and (3) respond with agility to stakeholder expectations, needs and concerns.

This enables us to listen to stakeholder expectations and views on sustainability-related issues, respond promptly and comprehensively, while creating deeper understanding of our stakeholders' needs as we journey to provide more people with the benefits of a modern connected life.

## Measuring the effectiveness of our engagement, and the accumulated impact on stakeholder relations and corporate reputation

MTN relies on stakeholder feedback as part of everyday engagement, supplemented with mechanisms to survey stakeholders, such as the Group Culture Audit (GCA), NPS tracking and the Reputation Index Survey (RIS).

The 2020 RIS surveyed 4 572 stakeholder representatives in 20 markets (highest recorded number of respondents to date), answering four questions:



Each material stakeholders' rating of the relationship with MTN is shown as below:



Stakeholders also rated how MTN showed up in its response to COVID-19, this is indicated with the icon below:



Refer to page 7 and 8 for MTN's response to COVID-19.

### Top-line results: 2020 Reputation Index Survey



**MTN reputation = 79%**  
**Quality of engagement = 74%**  
**Responsiveness on issues = 74%**

**Stakeholder relationships = 71%**  
**Trust in MTN = 73%**



# Our stakeholders continued



## Economic value

MTN's positive contribution to the country's fiscus and GDP is a universally high expectation.



Stakeholders in markets in Africa expect MTN to have a positive impact on the country's fiscus and GDP.



Stakeholders in markets across the Middle East.

### Areas for improvement

Stakeholders generally are looking for more proof points of MTN's contribution to skills development, enterprise and local business development in their countries.

Specifically, government and regulators expect MTN to create more opportunities for locals to participate in its value chain.

### Response

MTN is driving a focus on ensuring greater participation of locals within our business and supply chain.



## Sustainable societies

MTN's contribution to sustainable social development in-country is a widespread expectation



Civil society, Suppliers/ vendors across the footprint



Government and regulators

### Areas for improvement

4/10 stakeholders across our footprint indicate that they "do not know" what MTN's stance on digital human rights is.

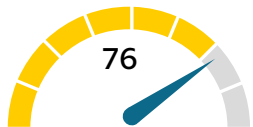
In countries where MTN complied with government directives to switch off the network, civil society stakeholders feel this action infringed on digital human rights.

### Response

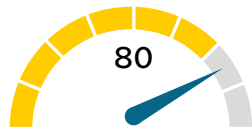
MTN has revised its Digital Human Rights Policy and framework to drive a more proactive approach and greater levels of transparency.

## Our performance

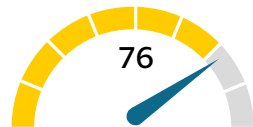
MTN's impact on financial inclusion



Acknowledged contribution to local employment

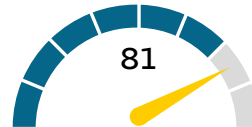


MTN's operations stimulate economic growth



## Our performance

MTN's notable impact on digital inclusion



MTN is aligned with the national Agenda for Sustainable Development



Corporate social investment (CSI) initiatives are meeting real community needs

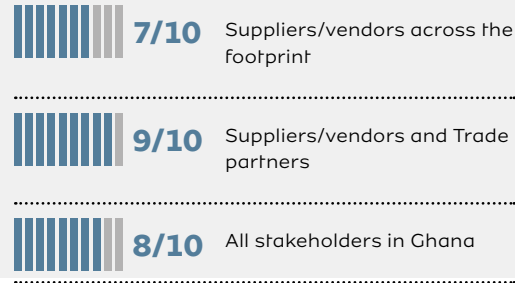


# Our stakeholders continued



## Eco-responsibility

MTN's protection of the environment is a niche expectation



### Areas for improvement

Communities, forming part of civil society and suppliers are more aware of impacts on the environment.

Communities feel that even when they are consulted, their concerns do not influence MTN's decision making on matters such as towers and the rollout of the network.

### Response

Through Project Zero, MTN is working to reduce its emissions and its continuous engagement with key stakeholders.



## Sound governance

Expectations of sound governance are prevalent across MTN's footprint



### Areas for improvement

Even though stakeholders believe MTN is committed to good governance, they observe a gap between this commitment and actual practices.

MTN's integrity (MTN does what is right) was rated, notably higher than its dependability (MTN does what it says it will do) scoring 68.

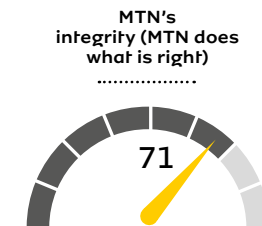
### Response

MTN is entrenching an evolved enterprise-wide risk management framework placing greater emphasis on driving implementation and visibility.

## Our performance



## Our performance





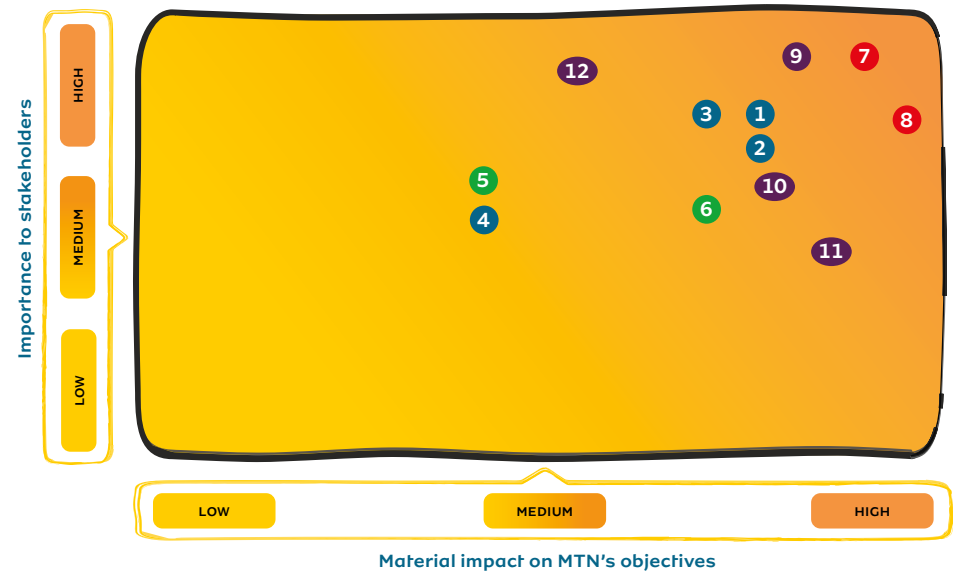
# Our materiality process

We analyse the issues and events that receive the most management attention and feedback from stakeholders during the year. This informs the identification and prioritisation of material matters and how we respond. We consider the needs and interests of our key stakeholders and their impact on our strategy, taking into account the Group's top risks and opportunities and the context in which we operate. (See the integrated report for further information.)

The sustainability material matters listed below have demanded our attention in the year under review as existing material matters of importance, new material matters or matters that have shifted significantly.

- **Advancing data connectivity** and **accelerating financial inclusion** remains of paramount importance as inequality in access significantly affects the opportunities and resources people have access to. With lockdowns, more people turned to mobile money, emphasising the importance of advancing data connectivity and accelerating financial inclusion for MTN and our stakeholders.
- **Driving digital inclusion** has increasingly become more important as more people are working and learning from home, relying on digital services in their day-to-day lives. MTN has also recognised this as an area of great opportunity to provide meaningful services to our customers.
- Although the importance of **addressing energy and climate change** varies across stakeholder groups, MTN recognises the importance of climate change in the long term and remains proactive in mitigation and adaptation.
- **Committing to compliance** has become a prominent material matter as it has gained importance for our stakeholders and needs to be considered separately from ethics.
- While freedom of expression remains crucial, the importance our customers place on data privacy has increased even further. MTN has a significant role in protecting digital human rights, especially as our society becomes more digitally enabled.
- The importance of taking care of our staff has been emphasised by the COVID-19 pandemic, as **driving a future-fit workforce** has evolved beyond our offices, stores and base stations to include the homes of our people.
- The impact of COVID-19 caused significant disruptions to our **supply chain**. This has greatly impacted various stakeholders and emphasised the importance of maintaining a sustainable and resilient supply chain, not only in the interests of MTN, but also in the interests of all who rely on our products and services.
- COVID-19 exposed disparities in our communities, exacerbating existing needs. As a result, communities have come to rely on businesses such as MTN to not only meet their needs through the products and services offered, but also by **investing in community initiatives** that align with business objectives.

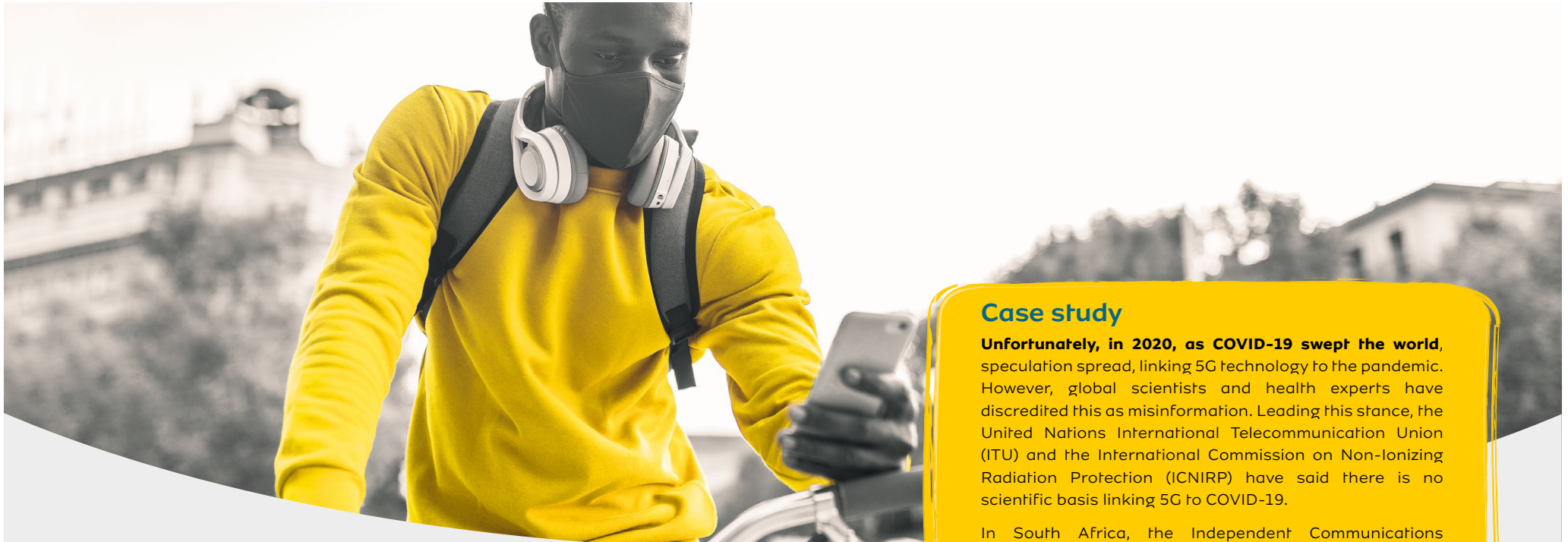
## 2020 SR materiality process



### Subsection

1	Advancing data connectivity	Stable
2	Accelerating financial inclusion	Stable
3	Driving digital inclusion	New material issue from previous year
3	Unlocking digital innovation for SMEs	Stable
5	Managing environmental resources	Stable
6	Addressing energy and climate change	Shifted in 2020
7	Accelerating ethical practices	Stable
8	Committing to compliance	New material issue from previous year
9	Respecting human rights	Shifted
10	Driving a future-fit workforce	New material issue from previous year
11	Supporting a responsible supply chain	Shifted significantly in 2020
12	Investing in communities	Shifted significantly in 2020

## Eco-responsibility



### Dispelling 5G technology misinformation

There is an **overwhelming scientific consensus** – based on **extensive research** – that **5G mobile technology** does **not** have a negative **impact on the environment or people**. This **fact** has been **confirmed** by **leading global experts**, independent professional groups and **public health agencies**, including the **WHO**.

#### Case study

**Unfortunately, in 2020, as COVID-19 swept the world,** speculation spread, linking 5G technology to the pandemic. However, global scientists and health experts have discredited this as misinformation. Leading this stance, the United Nations International Telecommunication Union (ITU) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) have said there is no scientific basis linking 5G to COVID-19.

In South Africa, the Independent Communications Authority of South Africa (ICASA) has condemned theories linking 5G to COVID-19 and has urged all South Africans not to be swayed by theories that bring instability and fear. This view is echoed by Professor Tshilidzi Marwala, University of Johannesburg Vice-Chancellor, who stated: "There is no causal connection between 5G technology and any biological virus, including COVID-19."

MTN continues to raise awareness that there is no reliable scientific evidence linking 5G mobile technology to the spread of COVID-19 or any other negative impacts. In these uncertain times, we continue to prioritise our people, customers and communities as well as the resilience and capacity of our networks.

# Managing environmental resources

## Our approach

Sub-Saharan Africa and the majority of the markets MTN operates in have enormous potential for sustainable growth and environmental conservation, despite facing challenges of land degradation, deforestation, biodiversity loss and extreme vulnerability to climate change<sup>1</sup>. We operate in various geographies, which influences how we manage our use of environmental resources and our impact on the environment in each country.



We work to remain compliant with the national laws and environmental regulations of those countries in which we operate while maintaining Group-wide policies guided by international standards and Group-wide commitments. There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations during 2020.

We take a conservative approach to the use of energy, paper, plastic, water and other resources through demand reduction, refurbishment, recycling and upcycling. Employee awareness and support are critical to ensuring

the individual actions to conserve these resources result in meaningful outcomes.

### What we did

Our environmental management system is an important part of MTN's ambition to minimise our impact on the environment. We advanced with ISO 14001 certification in our select markets. Certification was achieved in Cameroon and Liberia. In Cameroon, the environmental impact of our operations is closely monitored by the Ministry of Environment and is a legal requirement governed by several laws.

In Liberia, MTN's environmental management system covers the environmental impact of sites, as required by the Environmental Protection Agency (EPA). In Nigeria, MTN has an environmental management system verified by the Federal Ministry of Environment.

### Looking forward

- Develop a Group-wide environmental policy and minimum standard. The environmental management system aims to formalise and further strengthen our approach to environmental management across our operations.

<sup>1</sup> <https://www.unenvironment.org/regions/africa/our-work-africa>.



# Addressing energy and climate change

## Our approach

Clear scientific evidence indicates that man-made greenhouse gases are directly impacting our climate. The link between increased energy demands and climate change is undeniable, leading to complexities around advancing global development while mitigating the negative environmental impacts of climate change. In the telecommunications industry, achieving the required reductions in greenhouse gas (GHG) emissions will be particularly challenging in the context of continuous economic and population growth. Every additional connected person, device or megabyte of data transmitted represents a potential increase in energy needs.

MTN supports the view that urgent action is required to limit global temperature rise to 1,5°C and achieve the UN SDG 7 – affordable and clean energy; and 13 – climate action. As a multinational company, we recognise the importance of reducing our impact on the environment and balancing this to ensure more people are connected daily. Our approach is twofold:  
 (1) Increasing efficiencies and reuse from our infrastructure and parts.  
 (2) Investing in renewable energy sources.

In managing energy climate-related risks and impacts, we assess the likelihood and severity of all risks while developing management solutions for more severe risks. We reduce the impact of our operations by understanding our energy consumption and its drivers, managing anomalies and rectifying issues as they arise. As part of our disclosure efforts, we participate in a CDP in alignment with the task force recommendations on climate-related financial disclosures (TCFD), on an annual basis. Our climate change risks and opportunities are reviewed in our CDP report on our website.

Risks	Description	Management solutions
<b>Physical</b>	Climate change effects including extreme weather events, higher rainfall and snowfall, higher temperatures and sea level rise, which impacts infrastructure	<ul style="list-style-type: none"> <li>Preventive measures minimise physical risks in site selection (environmental surveys and impact assessments).</li> <li>Exposure analysis and flood vulnerability risk assessments are conducted to determine planned sites/technical facilities' exposure to flooding.</li> <li>Periodic tower integrity checks and regular and preventive maintenance including corrosion painting enhance infrastructural integrity and resilience.</li> </ul>
<b>Energy supply security and costs</b>	Includes the availability, reliability, supply and cost of energy.	<ul style="list-style-type: none"> <li>Implementation of a range of energy management solutions, including monitoring and measuring peak demand and battery storage solutions.</li> <li>The MTN Group Project Zero initiative includes energy management solutions, monitoring, measurements and focuses on carbon emission reduction. It is presently at the proposal stage and seeks to leverage the latest technologies and service partners to enable business sustainability via greater energy efficiencies, low carbon emissions, risk reduction and cost control.</li> <li>MTN Nigeria has sustained energy efficiency solutions through the Independent Power Producer (IPP) project to reduce the cost of energy and reduce carbon footprint.</li> <li>Implementation and monitoring Inclusion of RAN software features for energy efficiency.</li> </ul>
<b>Regulatory and financial</b>	Includes current and emerging regulations that attempt to constrain actions that contribute to adverse effects of climate change or promote adaptation and mitigation to climate change.	<ul style="list-style-type: none"> <li>Ongoing monitoring of regulatory developments for changes to existing or emerging climate-related regulations.</li> <li>Preparing for taxes and regulatory requirements in financial planning processes.</li> <li>Reducing GHG emissions through various initiatives in South Africa where a carbon tax regulation was implemented effective 1 July 2019.</li> <li>Nigeria's National Environmental Standards and Regulations Enforcement Agency is strategically working towards developing a framework for an effective compliance and enforcement of flood control measures. Upcoming regulations in Nigeria might have an impact on our Nigerian operations.</li> </ul>

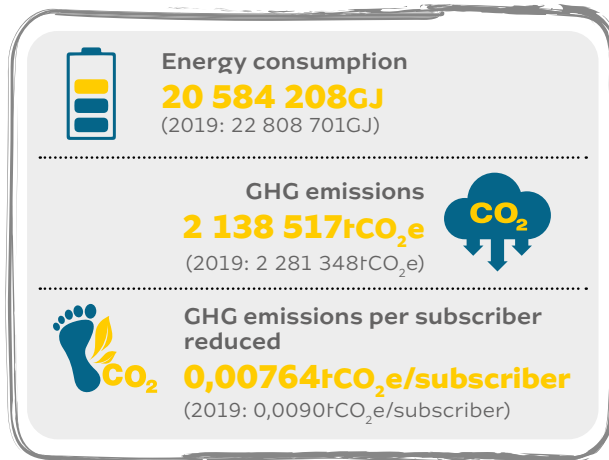
# Addressing energy and climate change continued

## What we did

### Our energy use and GHG emissions performance

In 2020, energy consumption decreased by 10% despite an increase in data traffic. Our GHG emissions decreased in 2020 by 6% despite not being able to fully rollout our emissions reduction initiatives.

This resulted in:



### Our emission reduction targets

The mobile industry is working to achieve net zero GHG emissions by 2050, in support of emission limits set by the UN Paris Agreement to limit global warming by 1,5°C. As the impacts of climate change become increasingly visible around the world, MTN believes in the benefits of a healthy planet and has pledged its commitment to achieve net zero emissions by 2040.

With global warming on the rise and impacting countries, communities and people everywhere, MTN has set science-based targets to achieve a 47% average reduction in absolute emissions (tCO<sub>2</sub>e) for scope 1, 2 and 3 by 2030 from a 2019 baseline. We are progressing with the setting of annual targets per market towards ensuring MTN's long-term targets can be met:

- 78% reduction in energy consumption per subscriber (GJ/subscriber).
- 85% reduction in GHG emission per R'm revenue (tCO<sub>2</sub>e/R'm).

### Launched Project Zero to enhance energy efficiency and renewable response

In 2020, Project Zero was introduced as an energy efficiency and carbon emission sustainability programme, forming part of MTN's OXYGEN strategy. The project seeks to leverage the latest technologies and service

partners to enable business sustainability via greater energy efficiencies, low carbon emissions, risk reduction and cost control.

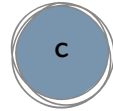
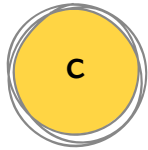




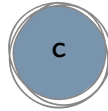
CDP score report

MTN Group Management Services CDP score

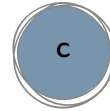
Average performance



Media, telecommunications and data centre services

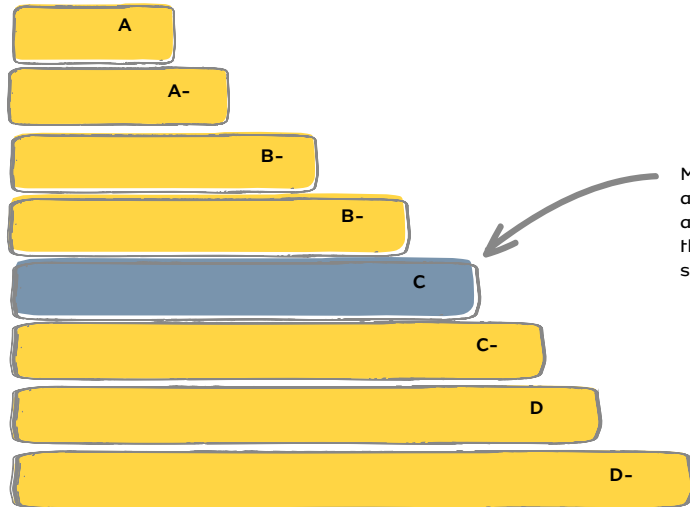


Africa



Global average

Understanding your score report



MTN Group Management Services received a C which is in the Awareness band. This is same as the Africa regional average of C, and same as the Media, telecommunications and data centre services sector average of C.

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



Board member Nkululeko Sowazi

Addressing climate change from the highest level

Climate change is causing unprecedented physical impacts, including sea-level rise and increased extreme weather events. In response, MTN has named Nkululeko Sowazi as designated climate change Board member, responsible for ensuring climate risks and opportunities are appropriately addressed within the company.

Nkululeko, who also serves as the Chairman of MTN Group's Social and Ethics Committee, has over 20 years of experience in management and leadership positions and extensive exposure serving on listed and unlisted company boards.

His role will support the MTN Group Board in remaining accountable to its shareholders for the long-term sustainability of the organisation and overseeing effective management of climate-related impacts. It will also encourage the identification of climate-related risks in the short, medium and long term and ensure appropriate action.

# Addressing energy and climate change continued



## Energy management tool

- Rollout intelligent power monitoring and management tool for all MTN-owned and - managed sites.



## New genset technology

- Ensure every operating company has explored new technology solutions for current genset lifecycle extension and new genset technology.



## Innovative alternative grid/renewable power solutions

- RFP to identify partners with innovative, low-carbon and renewable energy solutions, e.g. on-site hydrogen generation, solar, wind, fuel cell and hybrid.



## Uninterruptible power supply – UPS

- The UPS system will compensate for the variations in the input supply as any irregularities will affect the load.



## DC power

- DC power system should support inputs including multiple types of AC inputs and solar energy input.
- The system should give priority to solar energy when both grid and solar energy are available.



## Energy as a service company (ESCO)

- Identify which sites and operating companies' energy will be outsourced to ESCOs.
- Contract ESCOs to provide energy based on cleanest and cheapest sources.

## Key components of Project Zero include:



## Cooling

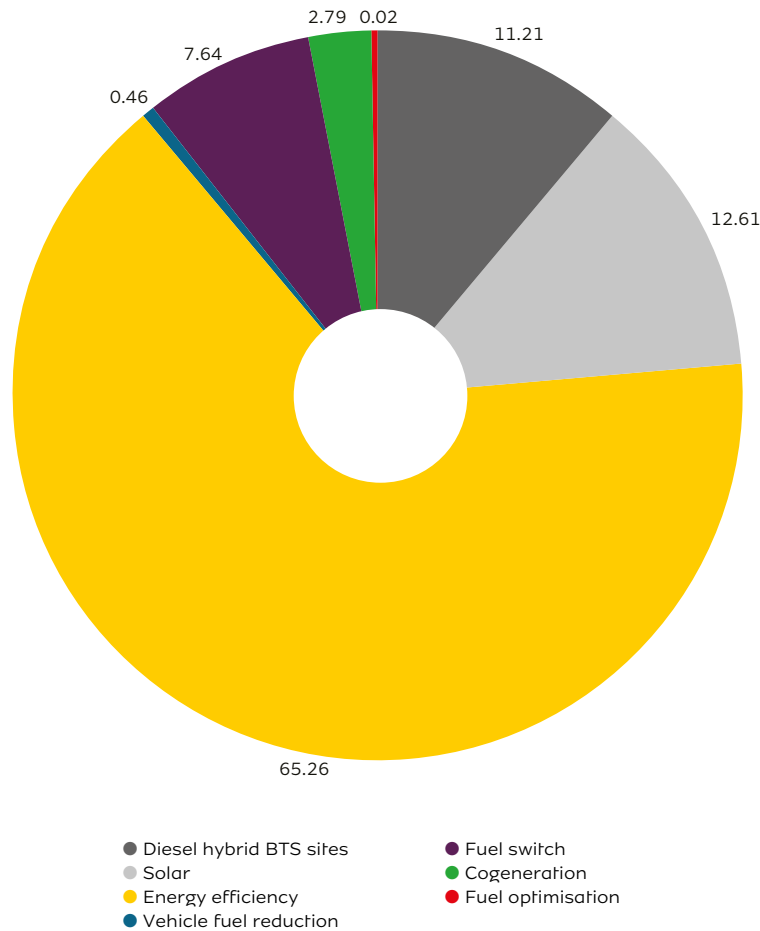
- Use of DC inverter aircons coupled with optimisation of temperature settings to reduce cooling runtime, ensuring efficiency.
- Investigate free cooling on BTS sites (RAN Modernisation).

### Progress against key initiatives:

- **Innovative alternative grid/renewable power solutions:** MTN's ambition is to incorporate a renewable-only approach as it rolls out new sites with one or a combination of solar, wind or hydro. In 2020, 300 additional rural sites powered by solar were rolled out, bringing it to a total of 1 331.
- **Battery usage achieved greater efficiencies:** To increase efficiencies in our battery use, we now use larger batteries resulting in fewer batteries being purchased, to make our impact net positive. In 2020, we also marked a reduction in the theft of batteries and in effect, reduced our need to purchase batteries.
- **Continued efforts to reduce energy losses and waste:** In striving to reduce our energy losses and waste, which contributes to our GHG emissions, we tested a power management tool through a proof-of-concept process on three network sites in 2019. The power management tool uses machine-learning systems and autonomous artificial intelligence (AI) to manage energy systems and inform decision making efficiently. In 2020, we issued a request for a proposal, but the initial outcome was not satisfactory. In the first quarter of 2021 we will restart the request for the proposal process with new requirements.
- **Continued involvement in GSMA-led initiative for climate action:** MTN's participation in the GSMA-led initiative for climate action has further informed our approach and action on climate change in 2020. We have found great value in regular seminars, where we can exchange lessons learnt and ideas. Through the CleanTech team, for example, we can consider opportunities to support the identification and implementation of technology for our off-grid and bad-grid towers. Our participation in the GSMA-led initiative for climate action has also informed the targets we have set in response to climate change.



### Efficiency and alternative energy solutions implemented between 2011 and 2020 (%)



#### #WeSaidWeWould2019

Launch Project Zero to drive energy-saving and efficient solutions to improve fuel consumption and reduce carbon emissions – **Completed.**

Finalise our energy strategy, to accelerate efficiency and renewable energy programmes and set targets to measure progress and drive improvements – **In progress, on track.**

Based on our 2019 proof-of-concept outcomes, we will investigate the business case for our power management tool and issue an RFP for vendors with potential solutions to assist in intelligent energy monitoring and switching to lower cost and carbon-intensive power sources for our network – **In progress, delayed.**

#### Our value creation

- 156 996 tCO<sub>2</sub>e GHG avoided in 2020.
- 169 753 MWh electricity saved in 2020.
- 3 898 KI diesel reduced in 2020.
- 300 Renewable powered sites in 2020 (solar-powered sites).

#### Looking forward

- Embed emission reduction targets by supporting operating companies in setting country-specific targets and modelling current initiatives and targets to identify gaps in reaching set targets.
- Embed Project Zero across our markets, ensuring key performance indicators and initiatives are being implemented.



## Greening our waste

### Our approach

MTN's Green Office programme helps our operations and office environments to identify how to conserve resources, reduce consumption and ensure responsible waste, recycling and upcycling management practices.

#### #WeSaidWeWould2019

Review the Green Office programme to identify opportunities to enhance impactful outcomes, potentially by focusing on a single resource area – **In progress, delayed.**

### What we did

Due to the lockdown restrictions enforced by many governments to curb the spread of the COVID-19 pandemic, MTN experienced a decreased use of office resources. The pandemic also led to a 'new normal' and a new way of operating in which there was a greater tendency to work from home. This also reduced the amount of waste generated by our various markets.

MTN Afghanistan saved over 344 000 Kl of diesel fuel due to switching off generators for sites where operations had been halted because of the COVID-19 pandemic.

MTN Nigeria reported significantly less paper use in 2020 compared with 2019 and MTN Ghana launched a paperless workplace challenge initiative, avoiding the use of 18 353kg of paper.

MTN eSwatini implemented controlled printing initiatives and the reuse of printed A4 sheets while MTN Ghana recycled cartons and plastic waste, resulting in 3 314kg of general waste reduced/recycled.

### Our value creation

- Electricity savings: non-technical operations 49 492kWh.
- Paper use avoided 18 353kg.

### Looking forward

- Revise the Green Office programme to incorporate lessons learnt from the impact of COVID-19 on the programme to identify opportunities to enhance impact outcomes.

## Redefining waste management

### Our approach

MTN does not emit significant effluent, and MTN's main waste impacts are not deemed high impact (material). MTN's primary source of waste generation includes electronic and electrical waste included in our upstream and downstream supply chain (e.g. radio transmission equipment, batteries, lighting, computers, consumer devices, cellular handsets, SIM cards), followed by general waste from our offices. We manage our waste impacts by applying the hierarchy of principles of first reducing the use of existing resources and reducing procurement of new resources; secondly reusing, where feasible and safe; thirdly refurbishing existing resources; and lastly recycling resources.

The proper management of e-waste reduces the health risks associated with improper e-waste disposal and protects the environment from pollution and any hazardous substances in e-waste. In this regard, MTN appoints specialist contractors for the disposal of e-waste in compliance with regulations within the countries where we operate, to ensure our e-waste is handled responsibly. Records of documentation associated with e-waste disposal are maintained by each operating company.

General waste generated from our offices is managed through our Green Office programme that also provides recycling and reuse opportunities to minimise waste reaching landfills.

### What we did

#### E-waste programme

E-waste handed over by MTN for recycling or safe disposal is processed by handlers and recyclers that have been subject to due diligence, and/or are certified in terms of national regulations and/or global standards, including those related to transportation. MTN continued its e-waste programme across operating companies during the year, resulting in 31 tonnes of e-waste being recycled and diverted from landfills. MTN Côte d'Ivoire launched the third edition of its e-waste campaign with the aim to mobilise, raise awareness and involve Ivorian companies and individuals in the management of electrical and electronic waste. The Company partnered with Promusa and Carrefour for this initiative.

MTN Côte d'Ivoire distributed boxes for the collection of e-waste to companies. Private individuals were also able to deposit their waste in boxes installed in agencies and shopping centres.

#### Circular economy

MTN concluded the scoping of a circular economy programme aimed at keeping resources in use for as long as possible, extracting the maximum value from them while in use, then recovering and regenerating products and materials at the end of each service life. The programme is intended to bring about the following benefits: enhanced efficiency, instead of buying new equipment we can reuse our resources; environmental sustainability, conserving natural resources and reducing the amount of waste by reducing, reusing and recycling; and resilience alternatives for added resilience to the supply chain in case of disruptions. The programme entails reusing, resale and recycling new in-the-box goods, used-tested goods, and used-untested goods.

### Our value creation

- E-waste 31 tonnes recycled.
- General waste reduced/recycled 3 314kg.

### Looking forward

- Finalise and implement a circular economy programme across MTN's markets.



# Addressing water management

## Our approach

MTN is not regarded as an intensive water user, as is the case throughout the telecommunications industry. We do not regard our operations as having a significant impact on water resources, although reducing water use forms part of MTN's Sustainability Strategic Framework to reduce the Company's environmental impact. MTN operating companies do not currently hold any water use licences and therefore do not have any direct legal obligations in terms of water use or management. As MTN's main water uses include drinking water and sanitary purposes, wastewater discharge forms part of the municipal water systems within the countries we operate. There is no direct wastewater discharge into water bodies by MTN, nor any associated impact on water bodies through wastewater discharge.

## What we did

To ensure MTN's approach to water management is based on the reality of the markets in which we operate, we embarked on an assessment to understand the status of water security, management and use across all operating companies during 2020. We identified 12 operating companies that operate in countries with water stress issues: Congo-Brazzaville, South Africa, Iran, Côte d'Ivoire, South Sudan, Afghanistan, Guinea-Conakry, Yemen, Rwanda, Sudan, Ghana and Nigeria.

MTN is working towards reducing water use across its markets through initiatives such as the implementation of sensors on taps (e.g. bathroom taps and those within

general office buildings), construction of reservoirs and sinking boreholes for the irrigation of gardens and accommodating water shortages. Other initiatives for reducing water use include grey water reuse and sprinkler timers in eSwatini, and water bottle initiatives in Afghanistan. During the COVID-19 pandemic, the Afghanistan office reported a decrease in drinking water consumption of up to 60% as personnel worked from home rather than the office.

Collaboration with local or global organisations (e.g. schools, governments, NGOs and catchment management agencies) forms part of these initiatives, where practically possible, to reduce water use throughout MTN. An example of this collaboration includes retrofitting bathrooms and

awareness campaigns across seven operating companies (Cameroon, South Africa, Iran, Benin, Rwanda, Sudan and Nigeria).

## Our value creation

Green office:

- Water saved 2 112KL.

## Looking forward

- Gain a better understanding of the water supply, consumption and opportunities to reduce consumption for those markets operating in water-stressed regions to manage water resources more effectively.

## Case study

### MTN Benin provides clean water access to six primary schools

MTN Benin embarked on a COVID-19 pandemic awareness campaign to avoid spreading the virus in the communities. Among the different initiatives undertaken, clean water access points were built at six primary schools to enable the communities to continue washing their hands to prevent the spread of the disease.

MTN Benin was also involved in the drilling of the Pikire Well aimed at providing 450 students with clean water through manually operated pumps.



# Managing biodiversity

## Our approach

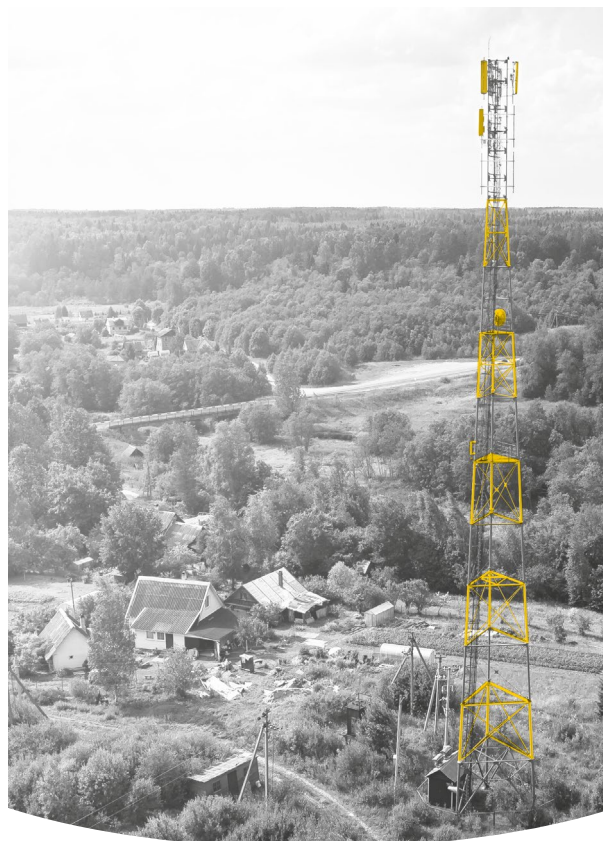
Africa and the Middle East face biodiversity threats despite still being home to a rich and diverse animal, plant and marine biodiversity that provides critical ecosystem services, driving the regions' economies and serving as buffers to climate change. Telecommunications services can impact biodiversity primarily through infrastructure such as the location, construction, operation and dismantling (including waste management) of base stations. MTN is determined that our growth should contribute positively to the future of the planet and continuously works to reduce our impact on the environment.

MTN's impact on biodiversity is, in principle, managed through adherence to environmental regulations within our operating countries. During the planning and construction phase of establishing base stations, biodiversity assessments are carried out – if required by regulations – to obtain authorisation to construct and operate a base station, especially if they are located in protected areas. When planning the location of these, MTN considers various factors, including environmental, biodiversity, visual and functionality aspects.

We consider proximity to existing roads and electricity infrastructure to reduce the potential disturbance to the natural environment such as vegetation removal or habitat disturbances during construction. Together with our partners, we work to minimise biodiversity loss and environmental impact, safeguarding against the removal, damage or disturbance of flora, fauna or birdlife. We do not condone hunting, trapping, shooting or poisoning of any fauna. MTN adheres to hazardous waste management regulations to mitigate the potential of its waste impacting the receiving environment and its biodiversity.

## What we did

In South Africa, MTN is committed to the National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA). MTN obtains environmental authorisation through a scoping process. Environmental authorisation is obtained when no environmental threats are triggered by a development. Should the possibility of a threat be identified, the development may be moved, or an environmental impact assessment conducted to show the extent of the



disturbance. Environmental impact assessments outline the impact of a proposed project on an existing ecosystem and its surrounding environment. When needed, mitigation measures are implemented to minimise impacts before construction commences. MTN does not develop sites until the appropriate authorisation is obtained from the relevant authorities. Furthermore, MTN is committed to aesthetic camouflage solutions when this does interfere with the general visual environment of the area.

In 2020, MTN South Africa did not have to conduct any environmental impact assessments. MTN is selective in its identification of sites and aims to reduce the use of sites that trigger the need for environmental impact assessments. MTN's rollout strategy now focuses on using existing towers owned by tower operators and rooftop sites that generally do not trigger environmental impact assessments.

Leveraging World Environment Day, MTN undertook to educate people on the importance of safeguarding biodiversity, and highlighting the need for conscious decision making, planning and implementation to minimise environmental impact.

## Looking forward

- Gain a better understanding of MTN's ongoing environmental impact on biodiversity to ensure more proactive management by harnessing the information made available by the GSMA Clean Tech programme working group.





# Understanding electromagnetic fields

## Our approach

Radio waves are a form of electromagnetic energy through which mobile network antennas and mobile devices exchange digital information such as voice or data. Decades of research resulted in the development of safety measures and human exposure standards for protection against the health risks posed by exposure to radio signals from mobile network antennas and mobile devices. There are currently no known health risks from exposure to the low-level radio signals used for mobile communications.

MTN references the ICNIRP guidelines to protect the general public and employees from adverse health effects caused by exposure to the radiofrequency transmissions from our base stations. The ICNIRP exposure guidelines are the basis for the WHO and the ITU recommendations to manage the exposure of the public to radiofrequency transmissions. These guidelines are widely adopted by national authorities to regulate radiofrequency electromagnetic fields (RF-EMF) exposure levels.

MTN complies with electromagnetic field (EMF) exposure limits set by the ICNIRP and relevant national regulators, where applicable, in the countries in which we operate. We also ensure user equipment supplied directly by MTN, such as handsets, complies with the relevant specific absorption rate (SAR) limits in addition to undergoing conformity assessments specific to the country in which they are supplied. To this end, we maintain an in-house EMF testing facility as an additional step of verification. There were no incidents of non-compliance concerning the health and safety impacts of products and services during 2020.

### #WeSaidWeWould2019

Finalise the Group EMF policy to formalise and harmonise compliance with EMF exposure limits across all operations

– In progress, delayed.



# Understanding electromagnetic fields continued

## What we did

### Finalisation of MTN's Group EMF policy

In March 2020, the ICNIRP produced updated guidelines to safeguard people against all established health hazards when exposed to RF-EMF in the range of 100 kHz to 300 GHz. The newly released ICNIRP guidelines update the existing guidelines, which have been applicable and relevant since 1998 and cover, among others, 5G technologies. The updated guidelines were expected to be released in late 2019. The delayed release in March 2020 had an impact on the finalisation of the MTN Group EMF policy.

### MTN's involvement in new developments surrounding EMF and health

MTN participated in the quarterly meetings of the global GSMA EMF and Health group, the ninth annual GSMA EMF Forum, a meeting of the GSMA Europe EMF and Health group and the GSMA – ETNO Communications Workshop on 5G Misinformation. Furthermore, we participated in a panel discussion on 5G at the Fifth sub-Saharan Spectrum Management Conference, as well as the Communications Regulators' Association of Southern Africa (CRASA) EMF and 5G Deployment Forum to provide an operator's perspective on EMF.

## Our value creation

- Refined MTN's Group EMF policy.
- Participated in various meetings and discussions at an international level.
- Addressed misinformation related to 5G concerns.

## Looking forward

- Complete the MTN Group EMF policy and continue engaging stakeholders around the management of EMF to ensure our network is protected from vandalism and our plans to rollout 5G proceed.



### Managing increased network capacity demands

The digitisation of education and work, due to the COVID-19 pandemic, increased demands on our networks across our footprint. This has resulted in an urgent need to increase our network capacity to address consumer demand, including deploying additional spectrum resources at existing sites. MTN motivated regulators to grant additional spectrum temporarily in markets that experienced capacity constraints. We successfully secured additional spectrum in South Africa, Ghana and Zambia. Given the continued high levels of data consumption in South Africa and Zambia, we have sought to secure permanent additional spectrum in upcoming auctions in these markets. Conversely, we have declined the temporary spectrum offered to us in eSwatini. This demonstrates our approach to securing additional spectrum only when it is needed.

In 2020, MTN South Africa used a portion of the temporary spectrum with a repurposed portion of its existing spectrum holdings to launch a commercial 5G service on a handful of existing sites in several cities to address high-speed data connectivity demands.

The increase in work-from-home and the digitisation of learning brought on by the COVID-19 pandemic significantly changed data usage in residential areas. During the year, MTN introduced minimum spectrum resources holdings thresholds within each band, to ensure operating companies have adequate reserves to deliver a good quality of service to subscribers.



## Sustainable societies



### Increasing transparency on digital human rights

**Technology transforms** economies and societies, and **supports** the **achievement** of the **United Nations SDGs**. It also **provides greater opportunities** for people to **enjoy their rights**.

#### Case study

MTN is committed to respecting human rights and endeavours to protect the rights of all people using our services in the respective jurisdictions in which we operate – in accordance with globally defined standards – while remaining compliant with the terms of its various jurisdictional legal obligations and licence conditions.

We published our first Transparency Report to provide an understanding of our operating environment, risks and approach to digital human rights across our footprint. The report specifically provides our customers and other stakeholders with a clear context as to the types of requests we receive and how best to respond.

The majority of the requests MTN receives from authorities are for legal and regulatory purposes; 99% of them are made to aid with criminal investigations and court orders pertaining to location disclosure. The majority of the requests from non-governmental entities come from subscribers themselves where they seek information on their accounts. Sixty percent of these requests are made in support of civil litigation cases and 40% for customers' personal use, demonstrating that host nations and citizens alike are actively exercising their rights.

Since the publication of our report, we have seen significant value in sharing our experience of operating in emerging markets. We look forward to further enhancing our transparency and business accountability practices.

# Respecting human rights

## Our approach

As a provider of vital communication services, MTN plays a role in supporting human rights by providing access to basic and emergency services, enabling sharing information, and facilitating connections locally and globally. We believe everyone has the right to communicate, access and share information freely and responsibly and to enjoy data and digital communications privacy and security.

We are deeply committed to upholding human rights and endeavour to respect and protect all people's rights. We endorse the position of the UN that rights held by people offline must also be protected online.

We have a digital human rights framework in place to make sure we sustain and defend human rights. We monitor adherence to the framework and regularly conduct human rights-related risk assessments. Our digital human rights policy applies to all our directors, officers, employees and representatives of the Company, whether permanent, temporary or on contract. We expect our intermediaries, agents, contractors, suppliers and business partners to uphold the same standards.

## What we did

### Updating our digital human rights policy

During 2020, we updated our digital human rights policy in order to respond more proactively to the possibility of digital human rights incidents. We enhanced monitoring of areas where incidents are likely to occur and put mitigations in place to minimise any impact should they happen.

We have also strengthened our grievance management with the creation of a mailbox, so that people who have any grievances relating to human rights concerns can use this channel, in addition to the standard customer channels. These grievances are investigated and responses provided.

The revised strategy has been issued to staff through various communication channels across the organisation. Training has been conducted to make sure employees across our markets are made aware of the policy and know-how to go about implementing the policy and toolkit.

The due diligence toolkit outlines knowledge-building information on digital human rights to gain a common understanding of the issues and the operating context. Additionally, it articulates the governance structure; roles

and responsibilities; who needs to be included and the digital human rights due diligence checklist.

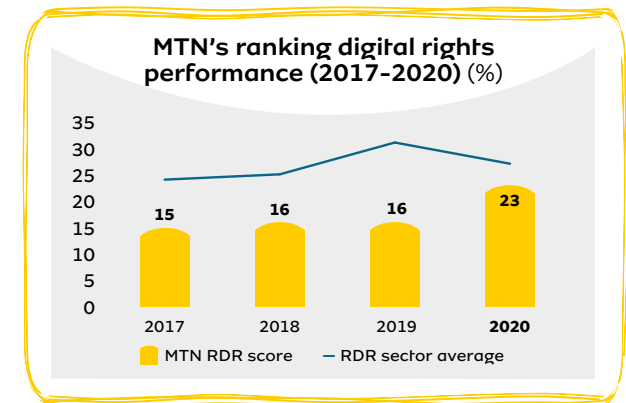
### #WeSaidWeWould2019

Finalise updates to the digital human rights policy and commence implementation in our operations – **Achieved.**

### Managing our customers' data privacy rights

Our Group data privacy and protection policy ensure we continue to conduct our business by the letter and in the spirit of the applicable data protection regulatory requirements. We are actively working towards implementation and adherence in terms of prevailing national regulations in the countries in which we operate, such as the Protection of Personal Information Act (POPIA) in South Africa. During the year, we held training and awareness campaigns in preparation for the introduction of the POPIA. The Information Regulator's office, an independent body empowered to monitor and enforce compliance with POPIA, assisted with the training. We are in the process of ensuring that our systems are upgraded and updated to remain compliant with the requirements of the Act. There are currently six other markets with privacy regulations within the MTN footprint which we need to comply with, however other markets are in the process promulgating privacy regulations/laws. A Group Data Privacy and Protection programme was approved in November 2020 to direct, guide and provide oversight on data privacy and protection across all our markets.

Following our assessment and revision of our data privacy policy, an improved Group data privacy and protection policy was approved. We also published a revised customer-facing data privacy statement, which can be found on our website. The areas that were updated include what MTN does with customer data, data subject rights and contacts for our customers to enforce their rights. We updated these areas to align with best practice and generally accepted data privacy standards.



### Enhancing information security

Our flagship programme, the Marshall Plan – aimed at enhancing information security across the Group – continued in 2020. The objective of the Marshall Plan is to prioritise and fast-track the implementation of information security capabilities to enhance MTN's overall security position. The three-year programme aims to address key areas of risk identified in conjunction with the risk management framework. The initial implementation of the Marshall Plan covers eight key workstreams across a range of operations. The progress for the year has been satisfactory, having achieved the majority of agreed milestones.

**“MTN made the greatest overall improvement of any company in the 2020 RDR Index” - Ranking Digital Rights**



## Respecting human rights continued

### Managing major freedom of expression incidents

As part of the ongoing enhancement of our disclosures as an organisation, we published our first Transparency Report, which provides an understanding of our operating environment, risks and approach to digital human rights across our footprint. It also provides details on requests we received from authorities and non-governmental entities. The report articulates how we respond to incidents that may affect the right to freedom of expression as well as details of actual incidents we responded to in 2019 (See case study on page 25).

In 2020, MTN received three major requests by authorities, legally permitted by applicable laws or by virtue of a court order, obliging MTN to block or suspend internet or social media services or websites. Markets include Sudan, Guinea-Conakry and Nigeria, and these incidents took place during times of political or social unrest.

In the majority of these cases, the digital human rights due diligence framework was used to guide the decision-making process. Engagements with the relevant stakeholders continued as the incidents were taking place in order to limit the scope and duration of the service disruption.

#### #WeSaidWeWould2019

Continue to implement Treating Customers Fairly policy changes and embed the policy in operational practices – **Achieved. Treating Customers Fairly policy was updated to ensure an optimum user experience while maintaining adherence. In 2020, the overall compliance improved significantly and continues to do so.**



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

How MTN and our partners treat our customers is an issue we take seriously. Over the past few years, many value-added service providers (VASP) or wireless application service providers (WASP) have come onboard to offer value-added or premium services to our customers, using a combination of platforms. Examples of such services include basic text information such as news and weather alerts and more advanced content services like games, music and videos available on mobile sites, apps and the internet.

In 2020, MTN revised its Treating Customers Fairly policy/position to ensure customers remain aware of the costs they incur, the services they use and how to control and remove access to these services.

### Cybersecurity

As the cybersecurity threat landscape continues to evolve, MTN remains committed to protecting against sophisticated attacks and threat actors globally. We continue to invest in cybersecurity through the implementation of security policies and frameworks, with a heightened focus on improving detection technologies and processes to ensure the safekeeping of our information and assets. In doing so, we also ensure that we remain adequately staffed and skilled.

Over the past year, there has been a steady increase in detected incidents. This can be attributed to our focus on improving our monitoring and detection-coverage capabilities. Attackers have become more advanced, intensifying their foothold by targeting people, processes and technology as opposed to only technology. As a result, creating security awareness is a key driver across our operations.

We remain focused on maturing our detection capabilities by increasing efficiencies in our incident-response processes such as the inclusion of automation, behavioural analytics and machine learning. We also continuously assess our cybersecurity maturity against industry benchmarks to ensure best practices are applied.

### Protecting children online

We have a zero-tolerance approach to the abuse and exploitation of children. To enhance the level of child protection, our operating companies are in varying stages of implementation of customised and robust systems designed to protect children online. This will allow each operating company to have a consistent approach to implementing processes to detect, flag and remove illegal and harmful content, such as child sexual abuse material (CSAM). During 2020, through our partnership with the Internet Watch Foundation (IWF) and regulators, we launched and revived reporting portals in Côte d'Ivoire and Uganda. In partnership, we also put blocking solutions in place in Ghana and South Africa on sites hosting CSAM material. Seven additional markets, including Nigeria are in the final stages of implementing their CSAM solution.

#### #WeSaidWeWould2019

Enhance public awareness about CSAM in MTN markets and ensure internet users can report potential abuse cases using the IWF reporting portal – **Achieved. MTN created awareness with the launch of its portal in countries such as Côte d'Ivoire.**

### Our value creation

- Over 280 million customers enabling their digital rights.
- Three major incidents related to restrictions on freedom of expression.
- Over 3,5 billion URLs scanned suspected of hosting CSAM, and 623 million URLs blocked containing CSAM in 2020.

### Looking forward

- Undertake a digital human rights impact assessment.
- Focus on further expanding our efforts to protect children online with at least seven more countries going live with a CSAM solution.
- Set up a group data privacy office and the development and rollout of a Group-wide data privacy programme aimed at ensuring a data privacy compliance culture.

# Driving a future-fit workforce

## Our approach

Our broad-based sustainable workplace strategy aims to prepare our employees to thrive in the Fourth Industrial Revolution (4IR) with its disruptive technology and dynamic market evolutions. This year, the onset of COVID-19 created a new and different wave of disruption. Re-thinking, accelerating and sustaining the pressures of the pandemic shaped our approach to human resources (HR) management. Supporting, protecting and enabling MTNers was our strategic priority while we continued to keep our sights on the future. We implemented a four-pronged framework focused on creating a sustainable environment for our employees. The framework addressed our COVID-19 people response strategy; engagement and communication; learning and development; and technology and digitalisation.

Ensuring the health and safety of our people across all markets was central to our workforce strategy during the year. Through our comprehensive, consistent and risk-based approach, we adopted an agile and efficient programme protocol to make sure we could respond to and take care of our people. This included health monitor surveys, crisis response protocols, PPE provision, activation of work-from-home mandates, risk-based workspace reopening conditions and specialised health and safety protocols for office spaces and stores (where and if applicable).

The pandemic and related lockdown restrictions spurred considerable transition with the shift to work-from-home. This new way of work required infrastructure, enablement and differentiated engagement so that our workforce remained productive, connected and supported through these difficult times. We provided managers and leaders with guidance and training to enhance their skills in managing teams remotely. Just as the engagement was critical, so was the importance of personal time; we equally implemented measures for our people to disconnect and recharge. We maintained our rigour and focus on learning and development by using the full-suite capabilities of our e-learning platform and resources together with a host of innovative virtual learning programmes. Our learning priorities remained digital, social and cognitive skills, as well as emerging technologies. We have previously identified these learning areas as key to our future success.

Our MTNers shared their sentiments through the Group culture audit survey. In 2020, we achieved the highest ever audit score of 81pp, which is 1pp higher than the previous year and 2pp higher than the Global Telco Norm. We believe the impact of targeted and holistic efforts were positively experienced by our people during this unusual and difficult period.

## What we did

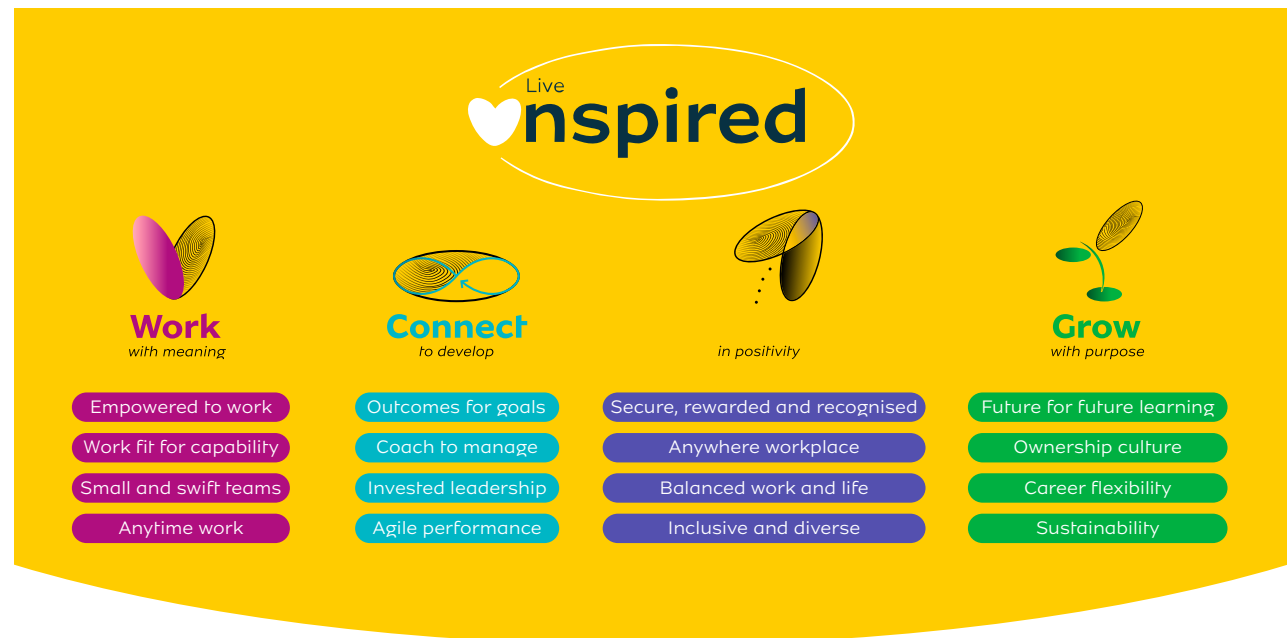
### Kept pace with the new normal and our strategy

In response to the new normal, we revised our employee value proposition (EVP) and commenced preparations for

its launch in 2021. Our refreshed EVP is themed 'Live Inspired' and is governed by four core pillars:

- Work with meaning.
- Connect to develop.
- Thrive in positivity.
- Grow with purpose.

Our launch in 2021 will mark a significant shift across work, workplace and workforce philosophy to create a purposeful, sustainable and enriched life for MTNers. We believe this shift will not only enable MTN to keep pace with the new normal, but will uplift the lives of our people and contribute to achieving our ambitions.



## Driving a future-fit workforce continued

### Empowering our MTNers with future-fit skills

We remained resilient and re-imagined our efforts to future-proof the skills and capabilities of our workforce. The adverse effects of the pandemic impacted our ability to utilise external learning partners' ecosystems for classroom and instructor-led programmes. We therefore rapidly adapted and innovated our approach to ensure that the quality of learning and development opportunities was not compromised. We ramped up channels, content and infrastructure on both virtual and self-paced digital platforms, which included off-the-shelf licenced content, live virtual masterclasses led by MTN SMEs and 'in the flow of work' projects that allowed for learning.

Our upgraded MTN Learn Digital Platform was used extensively and our MTNers engaged in upskilling themselves with a host of skills ranging from AI, machine learning and data sciences to social skills for effective remote working. Over 898 000 hours were spent across our footprint in engaging with online learning content.

We introduced several marquee initiatives to foster skills and apply them in practical innovative solution building. We launched a global innovation challenge (the Infinity Challenge) to motivate a culture of learning-based innovation where MTNers participated in designing unique products and services in fintech, commercial, enterprise and digital businesses. The challenge received over 100 entries from over 200 people across 20 markets, making this a truly global programme. This is a testament to our people's commitment to learn, explore and innovate in any circumstances. The winning ideas of our innovation challenge are already in the process of becoming fully fledged products that will be taken to market.

**We launched a global innovation challenge to motivate a culture of learning-based innovation where MTNers participated in designing unique products and services.**

We focused on cross-skilling as part of the Future of Work agenda through a specialised global talent convergence programme. It was aimed at our fintech business value



chain where over 400 people across multiple job families, across 18 markets, were trained with multifunctional skills to enable talent pool development and growth in the fintech business.

We also developed and conducted several live masterclasses across business areas and functions to make certain our people remained ahead of the curve on deep expertise skills, leading practices, new frameworks, thought materials and service excellence standards to harness the power of our in-house business leads and subject matter specialists.

During this time, our workforce consumed a broad range of future-fit content on our self-paced e-learning platform. We continued to refresh and enhance our content in three specific areas of future-fit skills: digital, social and cognitive. Over 12 034 staff completed a total of 71 840 courses in these three domains.

As a result of the various initiatives, platforms and opportunities, we have improved across a range of metrics, including the overall uptake of learning

programmes. The number of learning hours increased by 57%, with over 806 000 courses completed.

Our MTN Learn online learning platform was further upgraded with new improved learning content, analytics and more customised learning journeys. These upgrades supported strategic talent development initiatives such as female E and C suite successors, digital transformation and data scientist programmes targeted at fast-tracking women in technology development. The launch of additional French learning content provided an opportunity for French-language speakers to complete content in their mother tongue. Over 5 200 courses were completed by 1 112 French speakers across the MTN footprint.

### Enhancing talent attraction and retention

We were steadfast in our efforts to enable and safeguard the lives and interests of our existing workforce, especially during the pandemic. We believe providing a safe, secure, healthy and supportive environment for our people is of the highest priority, alongside our customers. To this end, we took clear and tangible measures. Firstly, we announced a clear commitment to our staff to safeguard jobs. Ensuring job and financial security was pivotal in a time where employees, companies and markets were adversely affected by the pandemic and its effects. Secondly, we created a global staff fund into which senior executives and employees contributed voluntarily to ensure emergency relief funds could be utilised to secure the health and needs of our people. This was in addition to the various interventions put in place as part of our overarching people experience strategy for COVID-19 crisis management.

We equally focused on a series of virtual engagement strategies to keep our people motivated, aligned and balanced, especially in light of the shift to work-from-home practices. We held several engagement programmes including frequent connect and share sessions with the leadership, live broadcasts of a fun and engaging Apart Together show curated and delivered by MTNers across markets, and we celebrated our annual tradition of Global Appreciation Week, which was hosted using the all-new virtual format. This event garnered tremendous success with MTNers participating and exchanging over 26 250 appreciation messages during the week-long virtual event.



## Driving a future-fit workforce continued

We continued to build on important measures to help the personal growth, enablement and learning of our staff through the various marquee talent development interventions. As we move forward, we continue to be steadfast in developing our talent and equally to making certain that fair and equal opportunity hiring practices are in place as we begin to grow our talent skill pool this year.

### Accelerating diversity and inclusion

We are committed to the advancement of gender equality, empowerment of women and the elimination of all forms of discrimination against women. We continue to strive to address the inequalities that hinder girls and women from fully participating in and benefiting from the bold, new digital world.

During 2020, our focus on driving diversity and inclusion remained at the forefront. The adverse effects of sudden disruptions like the pandemic offer an opportunity to double down on efforts to create awareness and to be conscious in our behaviours, attitudes and actions.

Firstly, we turned our attention to the development of our MTN women through two exclusive programmes. The first was the launch and delivery of our Rising Leaders women's leadership programme intended to develop, grow and improve female talent pool for executive positions. This centred on developing capabilities through structured learning, virtual exposure, shadowing and networking opportunities. During the year, we ran two cohorts comprising of 15 future women leaders. The second programme aimed at improving technology skills and capabilities which is a recognised area of opportunity for diversity. We introduced the Women-in-Tech e-learning programme to enhance basic and advanced data sciences and software development skills for MTN women, regardless of the level of work or previous experience. More broadly, we noted that in 2020, women consumed 35% more learning content than in previous years with over 49 000 courses completed in the year.

Secondly, we remained focused on our efforts to create an inclusive and mindful culture across our footprint. We launched our first global visual campaign Do you see me, which was exclusively produced, starred and designed for MTNers to create awareness of day-to-day unconscious biases. This was coupled with an in-house e-learning programme Conscious Behaviours, launched in October

2020, to create sensitisation and awareness of diversity and inclusion. It was designed for different audiences including employees, managers, frontline staff and HR professionals. With over 1 000 active course registrations and over 250 completions, we continue to focus our efforts to create sensitisation and awareness of diversity to create an inclusive and holistic culture in MTN.

In conclusion, these and several other local initiatives to drive an inclusive culture led to positive results in our Group culture audit score for diversity. We achieved our highest score this year of 88pp which is an increase of 2pp since 2019 and 9pp ahead of the Global Telco Norms. This achievement indicates that MTNers experienced, embraced and responded to the strategic and tactical measures and it places us on a sustainable pathway for an inclusive culture that is comparable and exceeds the sentiments of Global Telco employees. We also noted a 3pp improvement in women sentiment scores for diversity in GCA with the perception of leadership commitment to equal opportunity improving by 4pp.

We actively monitor our Group culture to ensure it continues to contribute to diversity and inclusion. Women now make up 38% of our employees and 29% of our

management teams. In addition, we observed shifts in the quantifiable measurement of diversity and inclusion. Some of the key highlights to this end include:

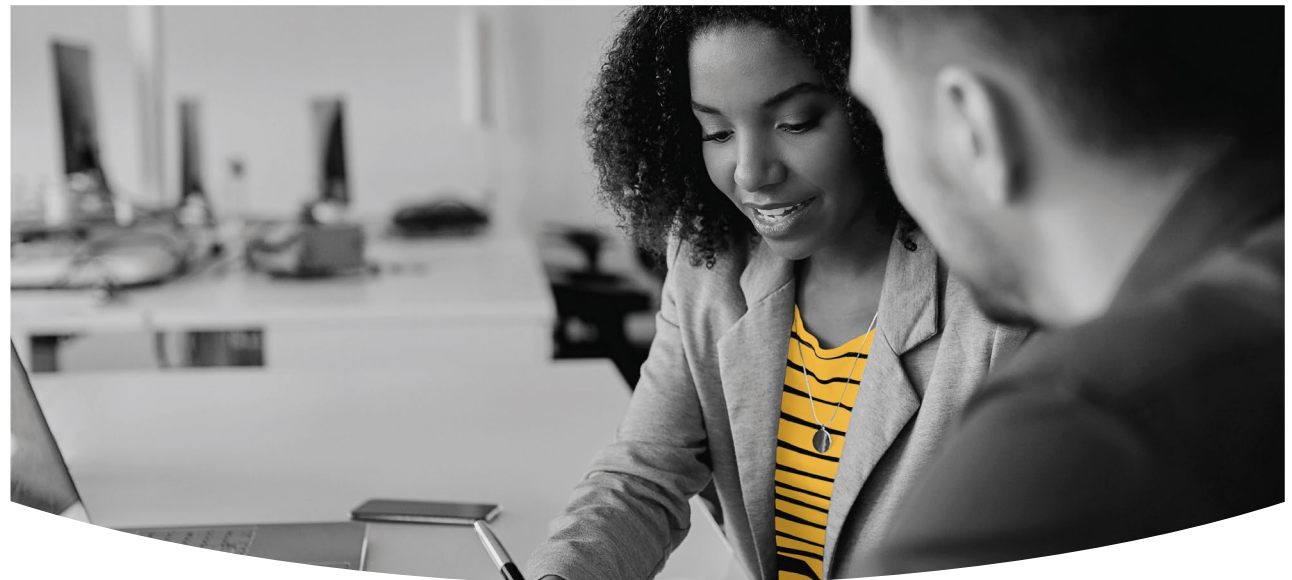
- 1% increase of women representation in the workforce (38% of total workforce).
- 3% increase of women in the succession pool (24% of women successors).
- 18% increase in women new hires at management level (49% of total hires in management).

#### #WeSaidWeWould2019

Establish short- and long-range targets to improve inclusion in talent segments including leadership, critical skills and succession – **women in management representation improved by 1%; along with an increase of women in Group-wide CEO/first report positions by 4%. Achieved.**

#### #WeSaidWeWould2019

Increase our focus on targeted hiring and development of women in core business areas – **Improvement in women hiring by 10% since the previous year along with a 9% reduction of exits. Achieved.**





## Driving a future-fit workforce continued

### Increasing the number of women in decision-making positions at MTN

The MTN Group has reached a significant milestone with the Group Board comprising of 33% women and the Group Executive Committee comprising of 28% women, above African and global averages. MTN firmly believes in creating opportunities for women to rise, excel and lead. Being deliberate in our strategy of hiring women in decision-making positions, we are pleased to have reached this milestone.

In comparison to findings from a recent McKinsey Global Institute report on gender parity, female representation at MTN ranks higher than African and global averages. In Africa, women fill 25% of board positions, higher than the global average of 17%. In terms of female representation at executive level, Africa's average of 22%, is once again higher than the global average of 21%. Furthermore, companies that include women in their executive teams are 25% more likely to have above-average profitability.

MTN actively supports the empowerment of women by making sure women have a seat at every table where decisions are made, across our footprint. Women's participation and leadership in all areas promotes progress for everyone.

### Enhancing employee health and safety

MTN, at the forefront of the industry in Africa, is fully aware of most of the hazards and risks facing our employees in the work environment that vary in place, processes, activities, size and complexity. MTN is committed to guaranteeing a working environment that is risk- and injury-free for all persons who come to our premises. We have a zero-tolerance attitude towards unsafe work practices, which is governed by our environmental, health and safety risk framework guided by the Occupational Health and Safety Act and applicable local and international regulations and requirements.

### MTN Group female Board members



## Driving a future-fit workforce continued

Driven by the implications of COVID-19, MTN's approach to environmental, health and safety was revised and upgraded to consider the effects of the global pandemic. This was instituted through a comprehensive COVID-19 people management framework which followed the psychosocial needs of people across the pandemic lifecycle. Interventions were implemented and adopted unequivocally across the footprint, ranging from health and safety protocols at work and home; provision of PPE and strict protocols for essential staff; strict store management protocols to safeguard staff; periodic guidelines/response and emergency toolkits for affected individuals; and stringent risk-based protocols for return to work among many others. We also launched a daily/weekly Global Health Monitor survey in April 2020 to track and monitor the health status of our people across markets. This helped us to provide potentially impacted staff with necessary proactive or reactive care and support. The programme is still ongoing as we have found it beneficial in providing support where we can.

### Overall COVID-19 cases across our footprint:

Infections	4 319 560
Deaths	125 969

### MTN staff COVID-19-related cases:

Infections	1 404
Deaths	10

### Eradicating harassment and discrimination in the workplace

MTN believes all employees have the right to be accorded respect, treated with dignity and to work in an environment that is free of any form of harassment and discrimination. Therefore, MTN Group has a zero-tolerance attitude towards all forms of harassment and discrimination. In 2020, MTN revised its Group-wide anti-harassment and discrimination policy to ensure its common set of principles are adhered to and complemented by application to local laws. During the year, one case was reported and investigated across MTN's markets. Awareness campaigns were also held to educate staff on eliminating harassment and discrimination in the workplace and procedures for reporting were provided.

### Our value creation

- 33% female representation at Board and 28% at senior management level<sup>^</sup>.
- R136m spent on employee learning and development.
- Women represent 38% of our global workforce.
- Differently abled staff represent 0,6% of our workforce.

<sup>^</sup> Includes incoming GCFO, announced in December 2020.

- Youth represent 1,5% of our global workforce (per UN definition of ages 15 – 24).
- Our workforce includes 58 nationalities.
- Only four workplace-related injuries.

### Looking forward

- Launch our new EVP, which brings a holistic value-based approach to enabling inspired lives for our MTNers. Our mission is to support, attract and retain our talent while enabling the achievement of our new strategy.
- Embed diversity and inclusion by advancing focus on improving entry targets for leadership, succession, technology hiring and differently abled hiring. We continue to drive inclusive policies, infrastructure, integrating diversity mandates for business and transformation programmes.
- Learning and development will be core to the agenda to create future-fit skills that will concentrate on a growth mindset and capability.



# Supporting a responsible supply chain

## Our approach

MTN relies on a multifaceted and multi-layered global supply chain to provide our customers with the products and services they need. MTN's suppliers are located globally, with key suppliers located in Europe and China, while our local supplier base is spread across Africa and the Middle East.

The telecommunications supply chain is subject to stringent custom regulations on imported items. Given the nature of network items required, we often procure products specifically for our requirements, and therefore these are not classified as off-the-shelf. Our supply chain's complexity is associated with a wide range of inherent risks, especially as we face more external challenges than ever before. The pandemic lockdown measures imposed by governments worldwide caused severe disruption to supply chains. However, due to our proactive supplier engagement, there were no significant changes to the size, structure, or ownership, within our supply chain.

Global sourcing and supply chain (GSSC) procures products and services within four broad categories: network, IT, commercial and indirect. Owing to the varied geographies and regulatory environments, each of our operating companies has their procurement and supply chain teams who manage local purchasing and supply chains, developing local suppliers.

To ensure continuity of supply, we proactively manage different legal, social, ethical and environmental risks. We require all our suppliers to have sustainable business practices in place and embrace our supplier code of conduct.



Spend profile in our major markets	Local spend	Local spend	Number	Proportion
	USD	as proportion of total spend %	of local suppliers	of suppliers to total number of suppliers %
Nigeria	833m	46	879	92
South Africa	747m	41	2 377	96

## What we did

### Strengthening of suppliers' business resilience

In 2020, we updated the terms in our code of conduct to cover the aspects related to anti-money laundering, sanctions, trade compliance and anti-competitive practices. Our supplier onboarding process was strengthened with the addition of an information security section relating to acceptance of our internal security protocols around data breaches and data privacy. Suppliers were trained on the updated code of conduct including sessions on business ethics, fraud and policies.

#### #WeSaidWeWould2019

Conduct awareness campaigns to deepen understanding of conflicts of interest policy, anti-bribery and corruption policies and our policy for gifts, hospitality and entertainment – **Achieved.**

### Digitisation of our supply chain

We increased our focus on the digitisation of the supply chain processes with the introduction of AI, machine learning and robotic process automation. We have implemented a cloud-based sourcing and supply chain application across all markets to bring transparency and efficiency into our operations for our internal stakeholders and our suppliers.

#### #WeSaidWeWould2019

Focus on digitising decision support – **Achieved.**



## Supporting a responsible supply chain continued



### Driving sustainability across our supply chain

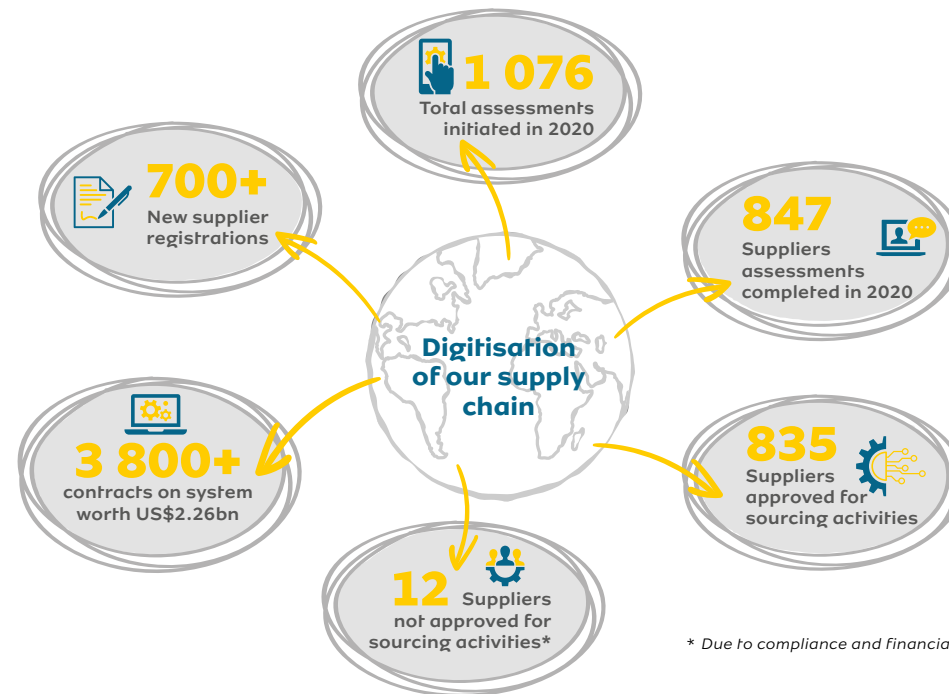
MTN has conducted a detailed assessment of strategic memberships that can help embed ESG principles within our supply chain. The memberships being considered have about 80% coverage of the Group's spend, of which 20 of the top suppliers have already been audited on ESG-related standards and risks.

### Group broad-based black economic empowerment (B-BBEE) verification

MTN Group was verified for the first time in 2019 and achieved level 3 B-BBEE contributor status. This achievement was through collaboration and teamwork between various subsidiaries. We aim to improve this B-BBEE performance and achieve a Level 1 Contributor Status over the next 3 years.

### Supporting B-BBEE in South Africa

In 2019, MTN South Africa achieved Level 1 Contributor Status for the first time. This was measured in accordance with the requirements of the 2016 Amended Information and Communication Technology (ICT) Sector Code. Within two years, we improved our B-BBEE contributor status from Level 4 Contributor Status to level 1. This significant improvement was achieved through focused, deliberate and concerted efforts that were informed by our approved B-BBEE strategy to improve our performance across all elements of the B-BBEE scorecard.



MTN's approved B-BBEE strategy identified Enterprise Development, Supplier Development and Skills Development as two key focus areas. This strategy is premised on making our customer's lives brighter by contributing to shared value creation through addressing socioeconomic challenges at scale.

The increase in the Preferential Procurement performance is attributed to:

- Procurement spend with Black-Owned (BO) vendors increasing from R3,5bn in 2016 to R7,1bn in 2019.
- Procurement spend with Black-Women Owned (BWO) vendors increasing from R9,2bn in 2016 to R10,5bn in 2019.
- There has been a significant improvement in spend with Designated Group suppliers over the past three years, starting from zero spend in 2016 and increasing to R1bn in 2019. This clearly demonstrates our commitment to maximising procurement from Black-empowered suppliers and, to encouraging entrepreneurship within previously disadvantaged communities.

A centralised learning and development budget has resulted in an improved outcome on the Skills Development scorecard. MTN spent R87m in 2019 on developing and enhancing skills for both employed and unemployed learners including people living with disabilities. It is also important to highlight that MTN upheld its pledge of participating in the YES4Youth programme, affording a cohort of 1 000 youth work experience opportunities that address the youth unemployment challenges that our country faces. It is also important to highlight that MTN upheld its pledge of participating in the YES4Youth programme, affording a cohort of 1000 youth work experience opportunities which addresses the youth unemployment challenges that our country faces.

In supporting Black-empowered suppliers and encouraging entrepreneurship within previously disadvantaged communities, we implement various enterprise and supplier development initiatives, and partner with black-owned small, micro and medium enterprises (SMMEs), either through joint ventures or by contracting directly with the black-empowered SMMEs.



# Supporting a responsible supply chain continued



## MTN's Enterprise and Supplier Development (EDS) programmes

### 1. Retail channel transformation

<b>1.1 MTN Zoners programme</b>	The MTN Zoners initiative is a SMME development programme within South Africa (targeting majority Black designated groups), which seeks to develop Black-Owned micro-entrepreneurs that will eventually grow into SMMEs resulting in an increase in economic inclusion of Black-Owned enterprises. MTN's targeted growth trajectory for these micro-entrepreneurs is for them to expand and grow their operations to being dealers in MTN's Branded Retail Channel	Majority are BO
<b>1.2 Branded retail channel transformation</b>	The transformation of the Branded Retail Channel aims to significantly change the demographics of the channel ensuring that there is greater participation and inclusion of Black-Owned SMMEs, people living with disabilities and the youth	100% BO

### 2. Supply chain transformation

<b>2.1 Procurement policy directive</b>	<b>Early payment terms</b> – MTN pay at least 51% BO SMMEs within 15 days per ICT Sector Code requirements  three-year contracts – All SMMEs (> 51% BO) should be awarded a three-year contract	Minimum 51% BO
<b>2.2 Black-owned SMME enablement</b>	Collaboration between MTN and Absa ensuring that SMMEs secure funding with Absa to enable them to carry out their contractual obligations. This programme has improved SMME's cash flow challenges and ensures sustainability of these entities	Minimum 51% BO EMEs and QSEs*
<b>2.3 Localisation through infrastructure rollout</b>	Procurement infrastructure rollout projects have been optimised to enable participation of local BO SMMEs.	Minimum 51% BO EMEs and QSEs*



\* EME – Entities generating a turnover of less than R10m.  
QSE – Entities generating a turnover between R10m and R50m.

## Supporting a responsible supply chain continued

### Embedding sustainability across our supply chain

MTN has joined the Joint Audit Cooperation (JAC) and the Global Enabling Sustainability Initiative (GeSI), two globally recognised industry bodies committed to promoting technologies and practices that foster environmental, social and governance sustainability. These memberships are vital in the realisation of MTN's sustainability vision of creating shared value for our stakeholders through responsible economic, environmental and social practices.

As the leading operator in many of our markets, we recognise that our partnerships with JAC and GeSI create significant opportunities to contribute to our collective goal of greater adoption of sustainable environmental and social practices across our supply chain and within the sector.

To provide our customers with the products and services they need, MTN relies on a complex global supply chain, which consists of approximately 15 000 suppliers. Very few telecommunications companies, particularly in Africa, are members of both JAC and GeSI. As a member of both organisations, MTN is supported in ensuring the appointment of ethical, sustainable and environmentally responsible supply chain partners.

### Our value creation

- Our Code of Conduct was acknowledged by 1 076 new suppliers.
- Over 453 participants joined for the virtual supplier training session conducted in December 2020.

### Looking forward

- Improve MTN Group Level 3 B-BBEE Contributor Status to Level 1 B-BBEE contributor status to level 1 over the next three years.
- Maintain Level 1 B-BBEE Contributor Status for MTN South Africa, maximising points on all scorecard pillars.
- Implement our approved Enterprise and Supplier Development Strategy and enhance our focus on supplier due diligence – additional data points related to risk and compliance will be included to strengthen our onboarding process further.
- Leverage on strategic memberships such as JAC and Global e-Sustainability Initiative ( GeSI) to embed ESG considerations within our supply chain. Physical site audits on tier-1 suppliers and their respective supply chain will support MTN in safeguarding a responsible and sustainable supply chain.
- Digitisation of our supply chain operations through an advanced analytics platform will uncover patterns and generate insights to support operational decisions in 2021.

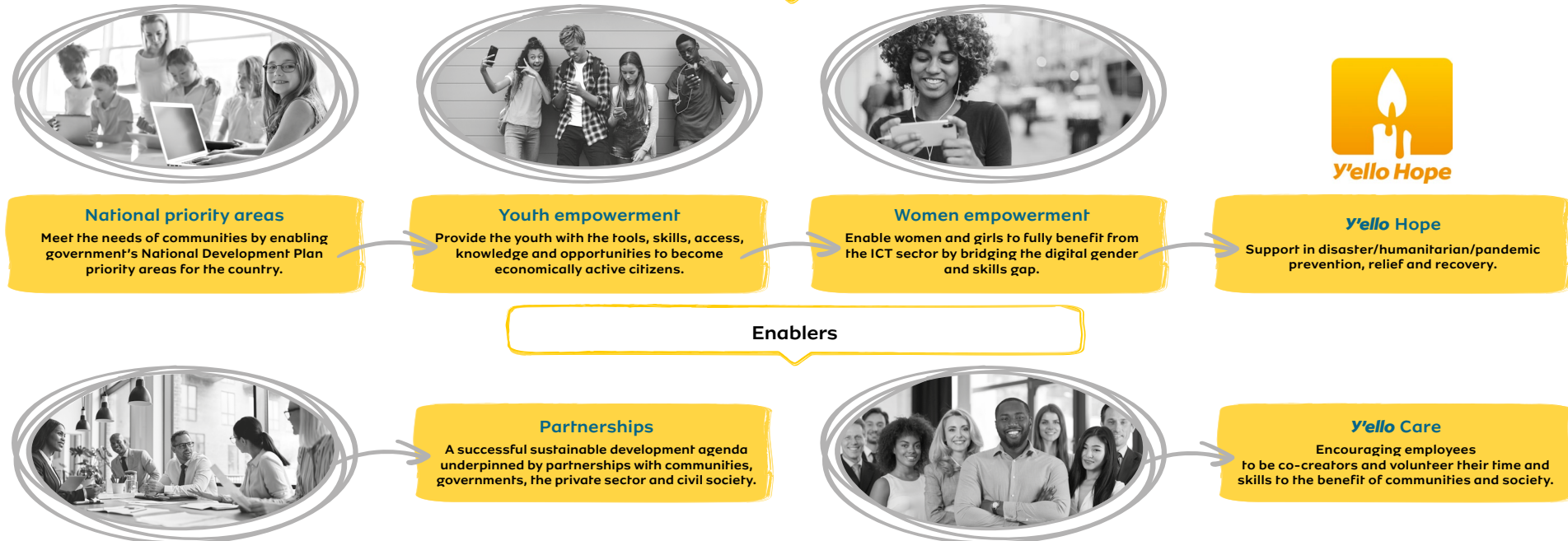


# Investing in communities

## Our approach

Half of the one billion people across sub-Saharan Africa will be under 25 years of age by 2050, representing a diverse continent offering human and natural resources that have the potential to yield inclusive growth and wipe out poverty in the region.<sup>1</sup>

### Corporate social investment (CSI) strategic framework



The COVID-19 global pandemic is already the most severe human tragedy of our generation. While the exact consequences, including those of a socioeconomic nature, cannot be accurately estimated at this stage, we know the health emergency is accompanied by social and economic emergencies, both globally and across our markets. The vulnerable in our societies are suffering the most during this crisis and will continue to do so in both the short and long term.

MTN, as a leading brand in the markets in which we operate, believes we have a key role to play in assisting to minimise the likelihood of transmission and its impact on society. We are committed to leveraging our core capabilities to enable the socioeconomic development of

the communities within which we operate, underpinned by our core belief that everyone deserves the benefits of a modern, connected life. Across our footprint, the majority of our operating companies engage with their beneficiary communities through various platforms and mechanisms. Guided by the MTN Group CSI policy, we strive to engage with the relevant identified internal and external stakeholders to understand the societal challenges and co-create community programmes.

## What we did

### Guiding our response to communities

MTN's CSI framework guides our contribution to the socioeconomic development of the communities within which

we operate. The framework, supported by the policy approved in 2020, outlines our key areas and implementation approach to contribute towards inclusive and sustainable economic growth of communities.

Driven by our core beliefs, we strive to reach the most vulnerable, marginalised, underserved communities and members of society without leaving anyone behind. We are committed to the sustainable upliftment of communities and strive to drive the inclusion of all members of society, with a specific focus on youth and women with a view to contributing to the national agenda of our host nations.

### #WeSaidWeWould2019

Approval and embedding of CSI policy – **Achieved.**

<sup>1</sup> <https://www.worldbank.org/en/region/af/overview>.

## Investing in communities continued

### Our COVID-19 response for communities

The COVID-19 pandemic as a global health and societal emergency, requires effective and immediate action by governments, individuals and businesses. In 2020, MTN's initial response was to focus on the short-term priorities, and support societies to fight the spread and prevent a local epidemic. As countries were struggling to procure the necessary equipment, we decided to offer support in this area. We also identified food insecurity as the most pressing – and the most disrupting – risk to our communities.

As part of MTN's Y'ello Hope response, MTN supported both public and private actors in the fight against this crisis by focusing on healthcare and food security for communities across its footprint. Accounting for approximately 32% of the overall CSI spend for the year, initiatives included: contributing towards government relief funds; the procurement and sourcing of vital healthcare resources; food and water security through the provision of food packages and water points to meet basic needs; and the economic upliftment of SMMEs and local market value chains.

In line with MTN Group's commitment towards minimising the spread of the virus, MTN has supported the provision of 644 331 PPE and 10 000 virus testing kits. Through the donation of food packs at least 120 000 people were reached, while the provision of 21 water points in Uganda, provided approximately 4 million people with access to water during these trying times. Through these efforts and our support for government relief funds, we have invested R107m towards ensuring communities are supported.

#### #WeSaidWeWould2019

Implementation of Y'ello Hope package – **Achieved.**



### Empowering the youth

MTN invests in programmes that provide the youth, as the largest and most impacted population group across its markets, with the skills, tools, access, knowledge and opportunity to become economically active citizens.

Complementing MTN business drivers, we also upskill and build youth-led businesses to participate within our value chain and unlock connectivity for communities. Our initiatives align with UN SDG driver of promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

As an example, MTN Nigeria Foundation's youth entrepreneurship development programme sets out to enhance the entrepreneurial skills of 75 MTN scholars alumni. It involves entrepreneurial skills training delivered by the Enterprise Development Centre of Pan-Atlantic University with the support of the Bank of Industry Nigeria. Of the 52 individuals who participated in the business pitch competition, 40 were chosen to receive the disbursement of the equipment loan of up to two million Naira.

We believe more programmes of this nature are key to eradicating poverty and addressing unemployment. There needs to be an ever-greater focus on this type of resilience and innovation potential that will be key to post-COVID-19 social and economic recovery.







### Empowering women

MTN invests in projects that ensure girls, female youth and women have the necessary skills and knowledge to understand, develop content, participate in and benefit fully from ICTs and their applications. This is key in realising the UN SDG of achieving gender equality and empower all women and girls.

In 2020, MTN Group signed the UN Women Empowerment Principles – pledging its commitment to the advancement of gender equality and the empowerment of women – at MTN's International Women's Day event. Significant contributions have been made towards the empowerment and development of girls and women in the countries in which we operate. Initiatives include enabling access to ICT, the awarding of specific ICT and science, technology, engineering and mathematics focused scholarships and building capacity of girls and women through various empowerment programmes.

Through this pledge and strategic partnerships with UN Women, MTN intends to respond meaningfully to barriers that arise from ICT and address inequalities that hinder girls and women from fully participating in and benefiting from the bold, new digital world. Ensuring girls and women have the necessary skills and knowledge to understand, develop content, participate in and benefit fully from ICTs and their applications.



### #WeSaidWeWould2019

Partnerships to drive the development of women and girls to bridge the digital gender gap – **In progress.**

### Our value creation



MTN Foundation and CSI investment: **R168m**



Employee volunteer: **1 416**

#### Beneficiaries profile



Total:  
**23,8m**



Youth:  
**10,5m**



Women:  
**589 855**



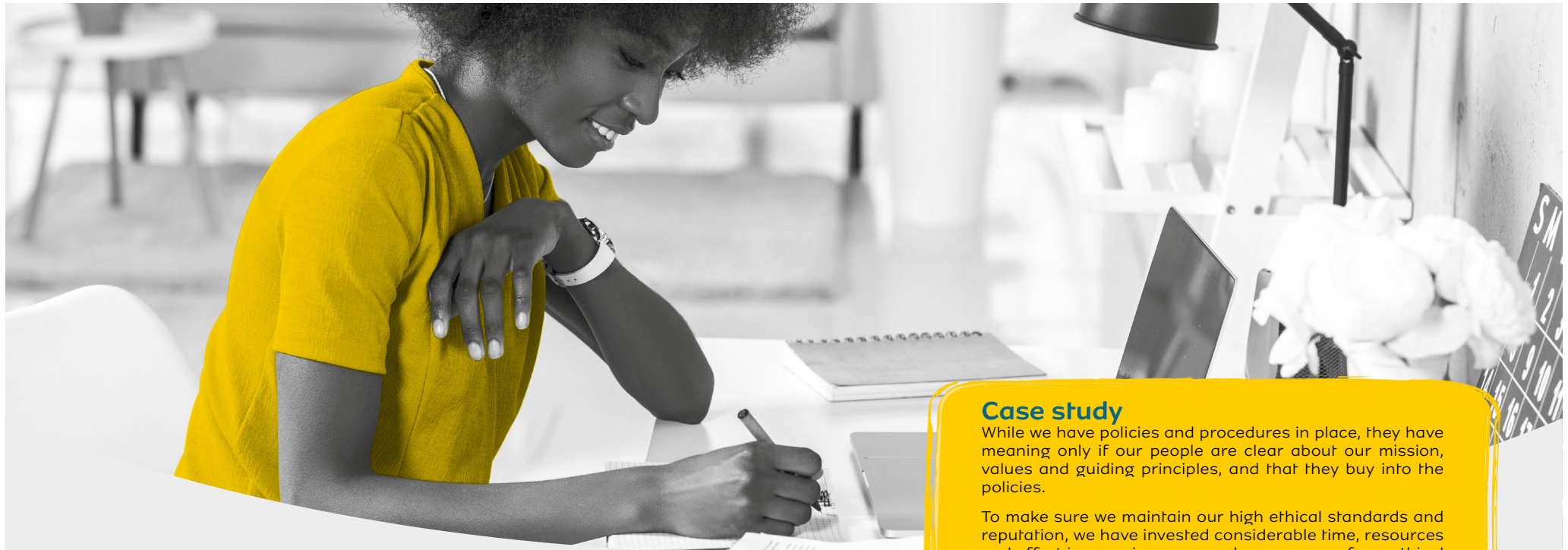
Contribution to COVID-19 **R107m**

\* Note: no Y'ello Care programme was held this year.

### Looking forward

- Develop MTN's Y'ello Hope CSI response catering for vaccine rollout and its implications for communities.
- Advancing MTN's focus and partnerships on youth and women empowerment.

## Sound governance



### Ethics Initiative of the Year Award Finalist

**Corporate failures** that have become more common are strongly linked to a **failure of ethics**. In our business, we **rely on people** significantly and are thus at a **greater risk of ethical incidents**. In addition, **our relationships** with our **customers** are **driven** by their **levels of trust** in our **conduct**.

#### Case study

While we have policies and procedures in place, they have meaning only if our people are clear about our mission, values and guiding principles, and that they buy into the policies.

To make sure we maintain our high ethical standards and reputation, we have invested considerable time, resources and effort in ensuring our people are aware of our ethical positions but, more importantly, in monitoring our people's perception of our ethical standards. The COVID-19 crisis has presented us with substantial challenges to make sure we continue to monitor our ethical performance and attitudes.

MTN Ghana created and published the ExCom Ethics Commitment Album and launched its Ethics Virtual Room engagements, for which the operating company (opco) was selected as Ethics Initiative of the Year Award Finalist by The Ethics Institute. The key focus is on creating an environment where staff feel safe and encouraged to speak up about their concerns, fears and opinions on ethics in the opco. The campaigns also increased the visibility of ethics in Ghana.

We will continue to develop innovative ways to communicate our ethics and values to our staff, customers and other stakeholders.



# Accelerating ethical practices

## Our approach

We consider ethics to be both a core business principle and a driver of value. Our Board, Group President and CEO and leadership are committed role models of ethical behaviour to all our stakeholders, actively supporting ethics management interventions at every level. Our leaders are proactive in their responsibilities and are held accountable. We actively create a working environment where all employees are educated and encouraged to consider ethical dilemmas, challenges and opportunities.



Our code of ethics encapsulates MTN's commitment to conducting our business affairs with honesty, integrity, diligence and professionalism. The code is associated with ethical policies that enhance business governance and guide business conduct. It further outlines the expected conduct of our employees and suppliers, as well as our approach to customers, interactions with governments, our communications and our commitment to communities, society and the environment. All our stakeholders are made aware of our position on ethics, and regular training is provided on ethics across the Group. We build trust and reputation, enhance productivity and learning, as well as mitigate risks through our approach to ethics.

The Group's whistle-blower hotline (tip-offs anonymous) is available to employees, suppliers and any external party wishing to report concerns safely and anonymously. Contact details for this service are located on the Company's websites, and internally, are communicated via several mechanisms including desktop screensavers, dedicated regular campaigns, newsletters, etc. All ethics-related policies indicate the appropriate route to follow regarding the reporting of ethics policy breaches by employees.

**MTN considers ethics to be both a core business principle and a driver of value.**

A dedicated mailbox is available ([anonymous@tip-offs.net](mailto:anonymous@tip-offs.net)) for all staff to raise issues of concern or ask for advice privately. Engagement through this mailbox is managed confidentially. Issues raised are investigated and outcomes are reported.

All ethics-related concerns are reported quarterly by opcos to Group Risk and Compliance. An analysis of the number of ethics concerns and complaints is presented quarterly to the Group Board Social and Ethics Committee. In 2020, we received 460 ethics-related concerns or enquiries raised via the confidential group and opco ethics mailboxes. The most frequent type of concerns and complaints received were about fraud, health and safety (most of which were related to COVID-19), and conflicts of interest.

The MTN Group has a Competition Law Policy (Policy) that sets out MTN's expectations of its employees, across the Group when dealing with competition legislation. It provides guidance on how potential violations or competition risks are managed. MTN has started in-house competition law training to ensure that our employees understand how to report on any competition matter accurately. There were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices during the reporting period.

## What we did

As a complex company operating across Africa, we need to make sure we have a shared sense of ethics to complement our policies and procedures. Every three years, we conduct an ethics risk assessment to help us

understand our ethics risk profile. The assessment focuses on ethical culture maturity, ethical behaviour risks and ethics management risks. The outcome of the 2020 assessment reflected improvements across all categories. The findings of the assessment were discussed at Board level, and the Group strategy on ethics has been updated.

Across the Group, a total of 5 990 (37%) permanent full-time employees have completed a compliance training course.

Ethics officers from nine operating companies participated in the Ethically Aware Supplier Induction (EASI) training programme that was rolled out to senior managers of 180 small- to medium-sized suppliers of our operating companies.

Ethics officers also participated in a training session on the assessment and management of conflicts of interest which was conducted by The Ethics Institute.

In the Middle East and North Africa (MENA), West and Central Africa (WECA) and Southern and East Africa and Ghana (SEAGHA), ethics training was done for ethics officers and heads of Risk and Compliance. This training focused on the following topics: creating an ethical organisation culture, MTN ethics risk assessment results, and ethical leadership.

### #WeSaidWeWould2019

Completion of the ethics risk assessment. Review the results of the corporate integrity and the ethics dimensions of the 2019 Group culture audit – **Completed.**

### #WeSaidWeWould2019

Align the ethics strategy with the ethics risk assessment results to address key ethics risks – **Completed.**



## Accelerating ethical practices continued

### 2020 ethics improvements

**Sufficient communication** regarding **ethics** in MTN

Number of **employees trained** on **ethics**

**Visibility** of the **opco ethics** officer

**Improvement in ethics awareness** through campaigns



Operating companies across the Group have engaged in various initiatives to institutionalise ethical behaviour. MTN Sudan implemented a Decision Memo interface, which mandates that motivations for key decisions that explicitly identify and address the risk, compliance and ethical issues and opportunities that may arise from the decision, are put forward for approval.

Global Ethics Day was celebrated in all our operating companies on 21 October. MTN adopted the Global Ethics Day theme of #EthicsinAction. The Carnegie Council showcased MTN's campaign on its [Global Ethics Day](#) website alongside the celebrations of other organisations across the globe.

Ethics, anti-bribery and corruption awareness were enhanced through the 2020 fraud and ethics awareness campaign, conducted annually across the MTN Group. The campaign consisted of daily fraud- and ethics-related blogs, posts and videos by internal executive leadership, subject matter experts and external thought leaders.

We measured ethical culture maturity, ethical behaviour risks and ethics management risks. The ethics strategy for the Group and each operating company was updated with interventions to address the key risks identified.

### Our value creation



**355** disciplinary sanctions (including those pending)



**10 284** ethics e-learning course completions



Ethics management effectiveness 2016 versus 2020

### Looking forward

- Embed ethical behaviour across the Group through our ethics strategy using the results of our ethics risk assessment.



# Managing risks

## Our approach

Companies that manage risks and opportunities related to ESG are better equipped because they expose their businesses to fewer risks and are hence more attractive to investors<sup>1</sup>. Risk management is an integral part of MTN's business strategy and is geared towards creating and protecting value.

Risks within MTN are guided by our enterprise risk management methodology. This aims to provide an approach to uniformly identify and evaluate potential events that may impact MTN's ability to achieve its objectives, in line with its strategy, risk appetite and risk preferences. Our methodology uses concepts and workflow from established risk management frameworks and standards – including ISO 31000, COSO Framework, King IV Corporate Governance – and other leading frameworks such as ISO 27001 for Information Security and ISO 22301 for Business Continuity Management.

A key component of enterprise risk management entails the use of a focused principal risk universe. In the first instance, the risk universe provides a two-tiered risk categorisation that enables uniform mapping of risk issues across all the operating companies for bottom-up integration and consistency. From the top-down perspective, the principal risk universe guides management to achieve completeness of risk identification.

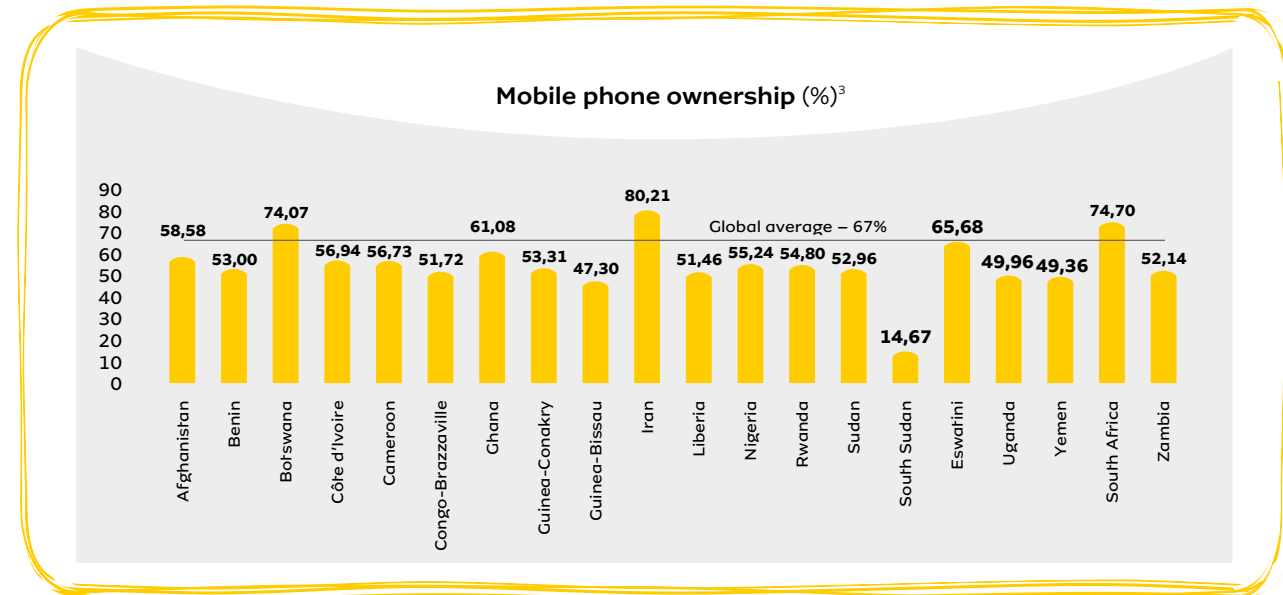
The principal risk universe is dynamic and is periodically reviewed to reflect changes in strategy, organisation and operations. During the 2020 revision, the previously named Compliance Tier 1 risk category, was repositioned as governance to reflect the importance and wider scope of ESG-related risks and objectives better. Tier 1 risk category governance includes the principal risks governance, Social and Ethics, Compliance, Internal Control and Fraud and Financial Crime. The Tier 1 risk category Operational includes Environmental as one of the 28 principal risks.

ESG risks are thus included as part and parcel of the MTN Group Risk Framework. We consider the varying level and impact of ESG risk from country to country. Additionally, we deliberate on the frameworks and mitigation measures needed to manage risks which differ between countries in line with local legal, cultural, political, technological and economic circumstances. For additional information on risk management, please refer to our Integrated Annual Report.

## What we did

Many markets in which we operate have low mobile penetration rates, compared to the global average<sup>2</sup>.

Governments in all our markets recognise the importance of connectivity to promote investment and drive economic growth. Investing in these markets allows us to provide vital communications services, which also benefits mobile financial services, empowers entrepreneurs, and supports innovation. We see significant potential in our markets despite some of the inherent risks, which are a factor of doing business in these territories/countries. To ensure we remain abreast of risks, we continuously evolve and innovate the way we conduct our business and manage risks. We transfer lessons learnt from one market to another.



<sup>1</sup> <https://insights.nordea.com/en/sustainability/10-questions-about-esg-and-its-importance-in-risk-management/>.

<sup>2</sup> The State of Mobile Internet Connectivity Report 2020, GSMA, 2020.

<sup>3</sup> GSMA Mobile Connectivity Index <https://www.mobileconnectivityindex.com/>

## Managing risks continued

A risk appetite framework is incorporated into our risk methodology as a part of principle 11 of the King IV code, ensuring the governing body (Board) is able to evaluate and agree on the nature and extent of the risks the organisation should be willing to take in pursuit of its strategic objectives. In 2020, we continuously assessed the risk appetite and tolerance of each of our markets as well as across various aspects, including ESG.

Our approach to ESG risk management continues to evolve as we deepen our understanding of our stakeholders and operating context. Social and environmental risks are evaluated in relation to MTN's ability to meet stakeholders social and environmental expectations and

to comply with local and international laws and standards. Key ESG-related risks include:

Risk category	Key risks
<b>Environmental</b>	Energy management Climate change Environmental management Land access, use and acquisition
<b>Social</b>	Customer data privacy and data security Freedom of expression Health and safety Human capital Political
<b>Governance</b>	Supply chain management Internal controls Fraud and financial crime Ethics Compliance Regulatory Internal controls

Various risk mitigation measures are put in place to address each of these risks, which largely involve guaranteeing the continuous identification of risk issues, its impacts and measures required to address the risks.

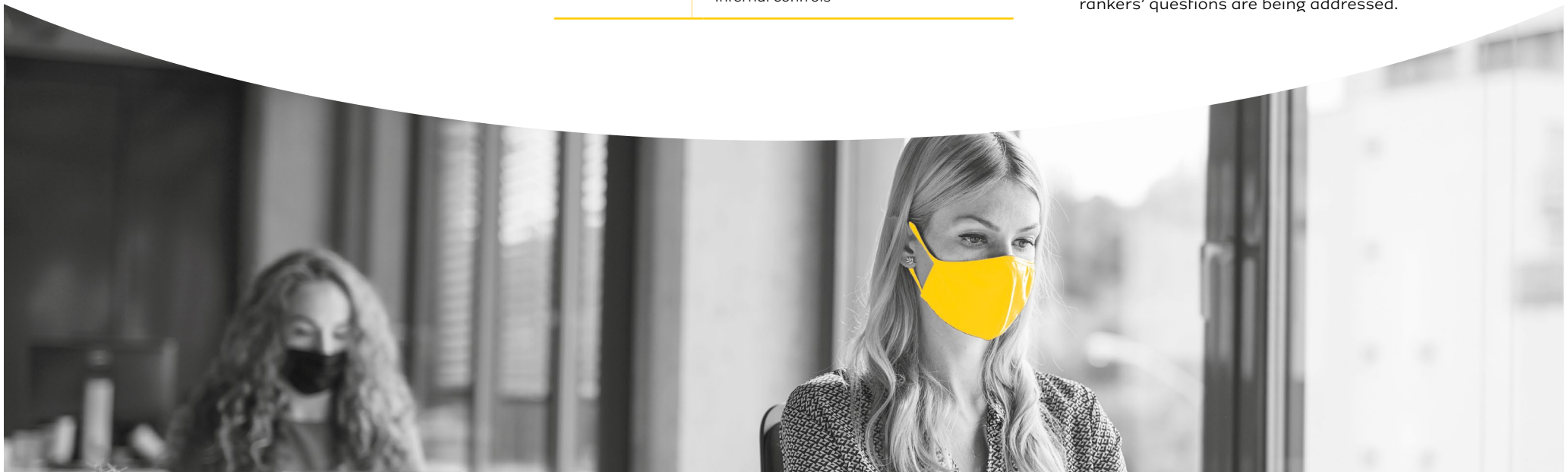
The impact of COVID-19 has highlighted the importance of being prepared for black swan events and ensuring the robustness of our risk and crisis management controls. A key focus in 2020 was on safeguarding the sustainability and continuity of our supply chain. As we go into 2021, we are incorporating the lessons we have learnt into our preparations for the subsequent waves of the pandemic.

### Our value creation

- Continued to evolve our approach to ESG risk management.

### Looking forward

- Track ESG-related risks in a more in-depth manner, including as part of principal risk assessment exercises co-ordinated by Risk and Compliance departments across the Group.
- Enable greater disclosure to ensure ESG ratings and rankers' questions are being addressed.



# Committing to compliance

## Our approach

We operate in multiple geographies, with varying degrees of complexity of ensuring compliance with laws and regulations. Our approach to compliance is embedded in a solid Group-wide governance framework underpinned by sound policy, principles and practices consistent with internationally recognised frameworks, including compliance with various jurisdictional, licence conditions, legal and regulatory obligations.

The evolution of our product offering to include fintech, insurance and other digital products has further increased our focus on sound governance to guarantee our business' sustainability. Our major compliance efforts relate to data privacy, data sovereignty, AML and counter terrorist financing regulations, registration of SIM cards, licence conditions and quality of services and network rollout obligations.

During this period, we also concentrated on health and safety compliance, with particular reference to COVID-19 protocols, understanding the need to keep our staff and our customers safe. COVID-19's impact limited our ability to further provide face-to-face training of our people on internal policies and regulatory and legal obligations. However, it is pleasing to note this has not increased the organisation's overall risk profile, thanks to our already strong stance on compliance. The pandemic also resulted in some risk in guaranteeing compliance with quality of service and SIM registration requirements, owing to social distancing, lockdowns and curfews, all of which were adequately mitigated.

## What we did

We strengthened our approach to compliance through our efforts to standardise the methodologies used for testing compliance across the Group. This process is ongoing, and we look forward to providing additional details on the outcome of this process in the future. Across the Group, operating companies are in various stages of aligning with MTN Group data privacy policy and, where applicable, the national data privacy legislation that has been passed.

The Group Compliance Policy, which communicates and establishes the principles of and commitment to the management of compliance risk, was reviewed, and approved by the Board. The Group Compliance Manual, which sets out the processes and structures that help identify and manage compliance risks to meet our strategic objectives, was also reviewed and enhanced to cater for changing needs and risk environments.



We have designed and developed a compliance maturity model to measure the maturity of the operating companies' compliance functions and related processes and to assist progress from the initial/*ad hoc* stage towards the mature state.

We have established a policies and procedures function within the Group Risk and Compliance Department, which

serves to oversee the policy management and governance to ensure the implementation and adoption of all policies across the Group. Our policies provide a framework for governance and lay the foundation for behaviour, values and ethics that define our culture.

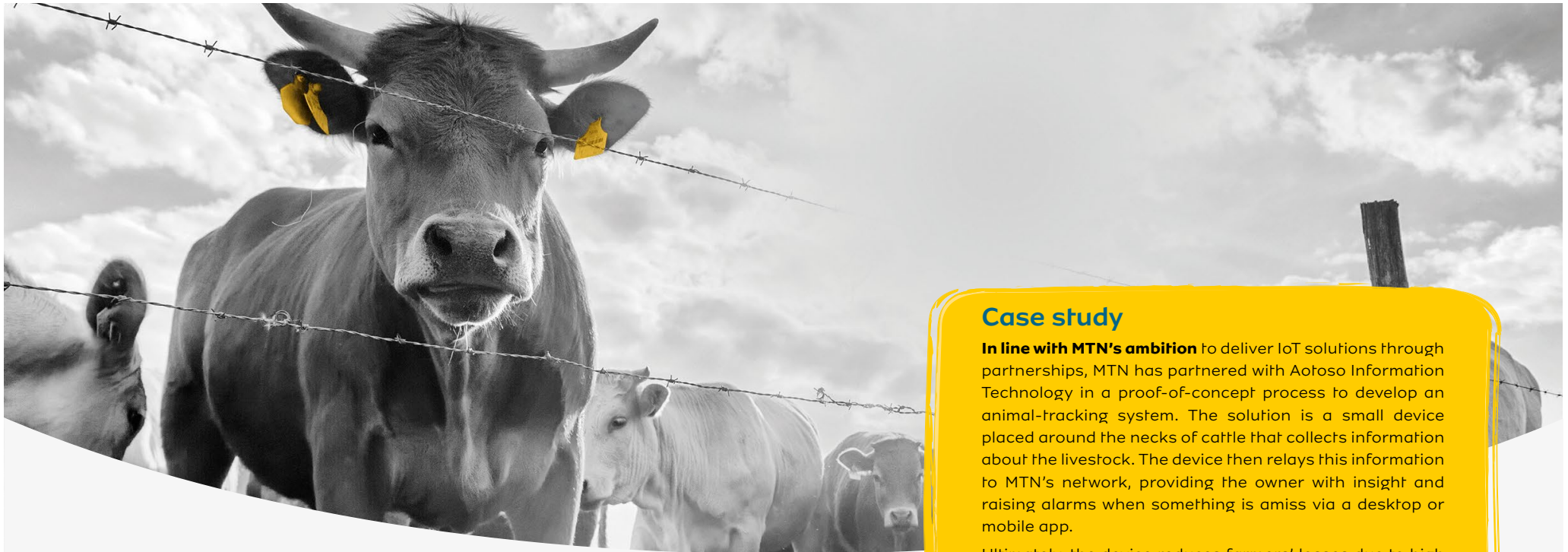
## Our value creation

- Our efforts towards increasing compliance have seen the level of incidents of non-compliance and associated fines reduced over the past few years. Our high compliance visibility assures customers that our systems and values are secure. This protects shareholder value, as well as increases value creation for all our stakeholders.

## Looking forward

- Further develop Group-level guidance to operating companies on how to address data privacy compliance, which we are aiming to implement in the year to come.
- Driving compliance training and maturity to reach a leading level of compliance across the Group will remain a key focus.
- Improve methodologies and the use of technology to adapt to future changes.

## Economic value



### Helping to keep an eye on cattle through Internet of Things (IoT) solutions

It is estimated that **Sudan** has the **world's seventh highest cattle population**, with an estimated **41 million** heads of cattle. The **traditional farming** method of herding still represents a **large portion** of the **Sudanese cattle market**, with some farmers using **Radio Frequency Identification (RFID) tags** to **identify** their cattle.

#### Case study

**In line with MTN's ambition** to deliver IoT solutions through partnerships, MTN has partnered with Aotoso Information Technology in a proof-of-concept process to develop an animal-tracking system. The solution is a small device placed around the necks of cattle that collects information about the livestock. The device then relays this information to MTN's network, providing the owner with insight and raising alarms when something is amiss via a desktop or mobile app.

Ultimately, the device reduces farmers' losses due to high mortality rates, by monitoring the animals' vital signs through GPS tracking. The device is also able to monitor reproduction and lactation, increasing revenue for the farmer. Currently, one of the challenges farmers face is under or overfeeding. The rumination feature provides a metric to determine the best feeding strategy for the cattle.

The proof-of-concept process has been very successful, with data consumption of the SIM cards amounting to approximately 1MB per month. In the future, the devices will be bundled as an integrated solution with data connectivity provided by MTN and data stored through a third-party cloud service. Instalment options are being considered to increase affordability, because of initial high costs.





# Advancing data connectivity

## Our approach

MTN operates in developing nations with profound gaps in the digital ecosystem that disadvantage lower-income and rural communities. Access to the internet has the power to change lives and bridge inequalities. In 2020, the economic, social and educational impact of the COVID-19 lockdowns brought to the fore the heightened importance of connecting the unconnected. Technology has emerged as a key enabler for communities, governments and businesses, yet, access to technology remains a major barrier to entry.

Our industry-renowned CHASE framework addresses the five key barriers to mobile internet adoption by providing affordable solutions and tailored products and services to enable digital inclusion. CHASE has made significant progress in closing the coverage gaps across our markets as a result of our rapid rural rollout programme (R<sup>3</sup>). However, a usage gap persists due to affordability, consumer readiness and the availability of relevant, local

content and services<sup>1</sup>, articulated by the remaining pillar of the CHASE framework.

In 2020, we surpassed the 100 million active data subscriber mark. This achievement has spurred our efforts towards meeting our strategic ambition of 200 million active data subscribers by 2025, effectively doubling our data subscriber base.

## CHASE

Fulfilling the connectivity and communication needs of our customers



### COVERAGE

Ensure sufficient and affordable data coverage in rural and low-income areas



### HANDSETS

Increase affordability and access to data-enabled devices



### AFFORDABILITY

Increase data service affordability



### SERVICE BUNDLING

Creating service offerings that are relevant, simple and meaningful to customers



### EDUCATION AND EASE OF ACCESS

Enhance digital literacy and ease with which data can be accessed

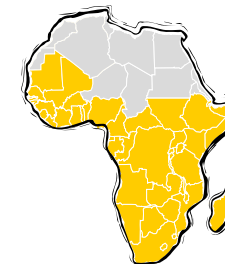
<sup>1</sup> GSMA – The mobile economy 2020.

The first element of CHASE drives closing the coverage gap, while the remaining pillars aim to close the much larger mobile internet usage gap



**3.4 billion**

people live in areas covered by mobile broadband globally but do not use data, almost six times more than the 600 million people who remain uncovered globally



**520 million**

people in sub-Saharan Africa, including MTN's markets, live in areas covered by mobile broadband, yet do not make use of the service; versus the 270 million people who are uncovered and unconnected in the region

Source: GSMA The State of Mobile Internet Connectivity Report 2020.

# Advancing data connectivity continued

## What we did

In 2020, we accelerated efforts across our footprint to connect the unconnected through our CHASE framework.

### Coverage

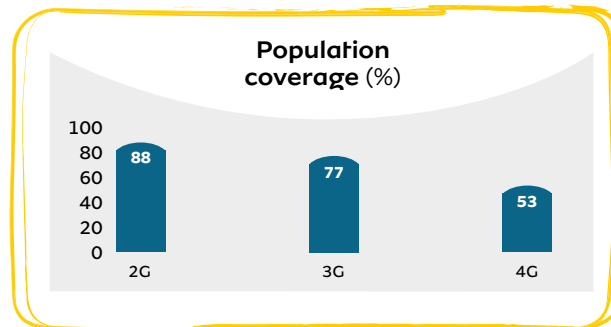
Ensuring sufficient and affordable coverage in rural and low-income areas

#### Increasing coverage

As at the end of 2019, the portion of the population uncovered by mobile internet in sub-Saharan Africa was 270 million (26%), much higher compared to a global population coverage gap of 9%<sup>1</sup>. Approximately two-thirds of uncovered communities in sub-Saharan Africa live in low- and middle-income countries. In 2020, in our quest to close the coverage gap, we rolled out 684 rural sites (2019: 1 387) with the help of our partners, providing coverage to about 8,5 million people since inception (2019: 6,9 million) through our rapid rural rollout programme (R3). In 2020, MTN covered over 90 million additional people with mobile internet connectivity across our markets, with a skew towards sub-Saharan Africa, contributing to closing the 26% coverage gap.

Another innovative technology used to escalate the rate at which we can increase coverage is OpenRAN. This new innovative technology enables us to cost-effectively develop and install 2G, 3G and 4G networks with our partners in previously unconnected areas. The OpenRAN (Facebook Telecom Infra Project (TIP) programme) concept, that started in rural connectivity, is much larger now and not to be mistaken for unconnected rural areas only. OpenRAN is a new industry innovation for 2G-5G that operators can use to either complement traditional radio access network (RAN) vendors like Huawei, Ericsson or even replace them. MTN is investigating its use for mainstream network rollouts. In 2020, OpenRAN technology allowed us to install more than 1 000 (2019: 200) commercial network base station sites across our footprint. An OpenRAN environment expands the ecosystem, which leads to lowered costs and drives accelerated innovation.

<sup>1</sup> GSMA – The mobile economy 2020.



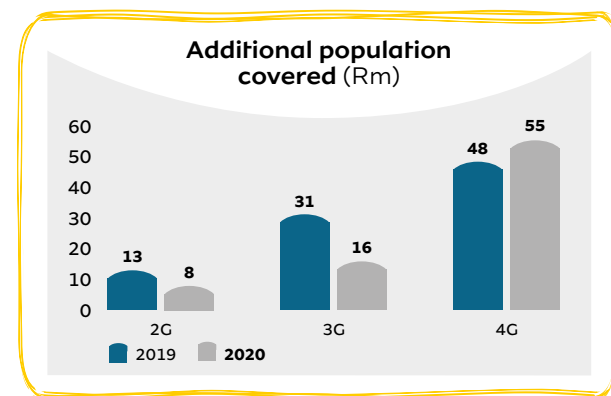
## Case study

### Bridging the urban-rural connectivity gap in Nigeria

Full network coverage within Nigeria remains a challenge; more than 20 million Nigerians live in areas with limited or no coverage.

Through MTN Nigeria's rural telephony programme – which began in 2020 – we intend to rollout 3 000 rural connectivity sites by 2022. This will be possible only through collaboration with technology partners and the use of low-cost connectivity solutions. In 2020, MTN Nigeria rolled out 432 rural connectivity sites to bridge the urban-rural connectivity gap.

Connectivity directly impacts the socioeconomic prospects of a community as everyone reaps the benefits of a modern, connected life.



### #WeSaidWeWould2019

Deploy more than 5 000 network sites in rural areas across 21 countries by 2022, providing coverage to 12 million people – **Behind schedule due to the impact of COVID-19 on supply chain, and lockdowns in all operating companies. Despite these challenges, MTN is committed to achieving the three-year goal.**

#### Onboarding of additional rollout partners

The acceleration of rural network development in our markets is made possible through collaboration with our rollout partners. In 2020, in our quest to close the coverage gap, we onboarded four additional rollout partners, enabling us to address the infrastructure issues that inhibit connectivity collectively.

### Handsets

Increasing affordability and access to data-enabled devices

#### Developing a portfolio of affordable devices

In 2020, MTN focused on further developing our portfolio of affordable devices. The availability of more affordable MTN devices increased accessibility and influenced market prices, pushing down prices in general. Across MTN markets, smartphone adoption increased from 43% (2019) to 50% in 2020. Supporting this increase, a total of 2,5 million smartphones (3G and 4G) were distributed to operating companies from MTN's portfolio.

The cost of entry-level data enabled services	2020	2019
3G smart feature phone	A further 12% reduction on 2019 prices	20% reduction on 2018 prices
3G smartphone	2019 price point maintained despite a general price increase in components and logistics (COVID-19 impact)	30% reduction on 2018 prices

## Advancing data connectivity continued

### #WeSaidWeWould2019

Launch a low-cost smartphone to connect entry-level customers to 3G and 4G handsets across Africa in early 2020 to provide affordable smart handsets, below the current market norm of US\$40 for a low-cost handset – **Achieved.**

#### • Lowering the cost of ownership

MTN offers a range of affordable devices from major cellphone manufacturers, yet device ownership often remains out of reach for low-income customers. To address this barrier to entry, we provide device subsidies through affordability initiatives and partnerships. *Please read more about this initiative in our [Zambian case study](#) below.*

### Case study

#### Accelerating access and inclusion through subsidies

In many of MTN's markets, the prohibitive cost associated with purchasing a 3G-enabled device keeps ownership out of reach. Subsidies increase overall smartphone adoption among previously unconnected customers while supporting customers' migration from 2G-enabled devices to smart 3G-enabled devices. This shift allows the benefits of a modern connected life including increased access to communication, information, entertainment and financial or digital commerce services.

MTN Zambia identified an opportunity to provide affordable devices in two primary regions – Lusaka and the Copperbelt – to increase smartphone adoption. Considering the relatively high cost of entry-level 3G devices in the Zambian market, MTN created a subsidised offer that includes an affordable 3G device and data.

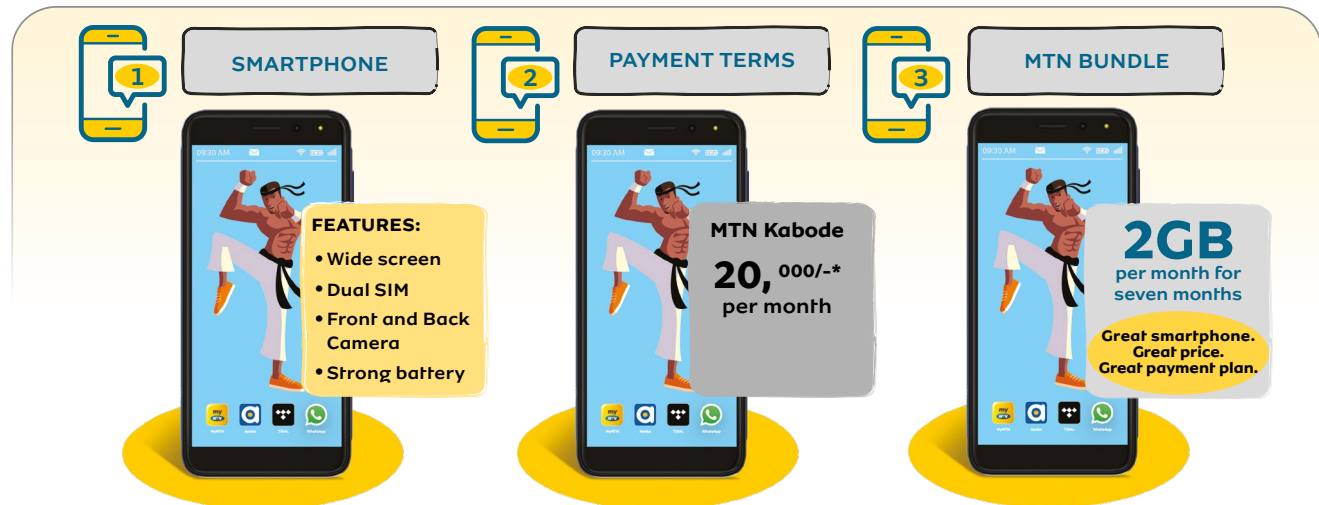
The offer is available through MTN channels and provides customers with set-up services to make sure they are familiar with the features of the phone. In 2021, channels will be expanded to allow third parties to sell subsidised smartphones, increasing accessibility.

#### • Device financing

In 2019, we embarked on pilot programmes across several markets to enhance access to low-cost smartphones through device financing models, allowing customers to pay off their devices.

In Uganda, customers can pay for devices in instalments and receive data. Through this initiative, it costs 17c a day to own an LTE-enabled phone, making a data-enabled handsets affordable against a benchmarked income of US\$2 a day. MTN is the end-to-end service provider, taking on all roles throughout the value chain.

We continue developing similar industrialisation initiatives with vendors in other operating companies, tailoring the solutions based on market needs and the operating company's capabilities. The offer we are working towards is simple: get a great device on affordable terms with MTN services.



### An offer launched by MTN Uganda – Pay Mpola Mpola

#### Affordability

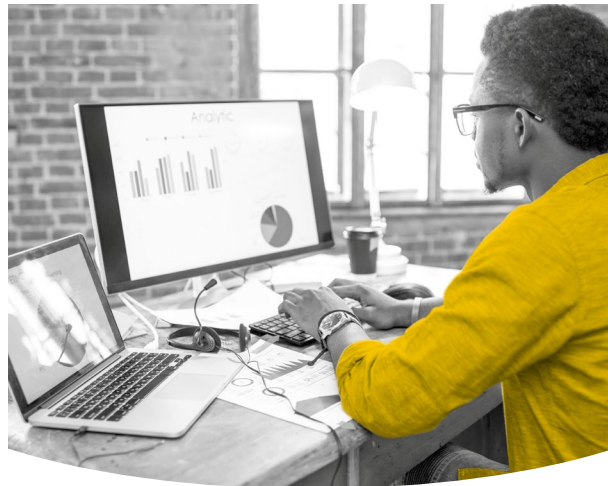
Increase data affordability

#### • Benchmarking affordability

In 2020, MTN benchmarked data prices across all operating companies against the UN's internet affordability target which considers data prices relative to average monthly household income. Accordingly, the price of 1GB of mobile broadband data should cost 2% or less of gross national income (GNI) per capita<sup>1</sup>. An analysis was conducted, comparing the effective rate of the entry-level bundle to that of a 1GB bundle to ensure the smallest bundle was reasonably priced. Operating companies deemed not in compliance were offered recommendations to adjust their pricing to make their data offering more affordable. At least 12 markets were identified within the UN recommended affordability range, with pricing interventions implemented in six of the remaining markets.

<sup>1</sup> Alliance for affordable internet (A4AI).

## Advancing data connectivity continued



### • Offering a daily lifeline data allowance

In addition to ensuring data remains affordable through repricing, MTN has offered customers a free daily lifeline data allowance through ayoba. Read more about ayoba on page 55. Free data, with a daily usage limit, is also provided through our Facebook Flex partnerships, to marginal and non-data users with data-enabled devices. This try-before-you-buy model provides customers with a risk-free opportunity to experience the benefits of data usage.

### • Zero-rating

Since the start of lockdowns in March 2020, MTN has worked with the government and educational institutions to zero-rate more than 108.6TB of traffic through educational and school websites. In addition, we have made 26,6 billion free SMSes and 6 144TB of free data available to our customers via the ayoba app.

### Service bundling

*Creating service offerings that are relevant, simple and meaningful to customers*

Through tailored service bundling, MTN provides relevant value propositions to different customer groups, driving down the cost of communicating and ensuring new data users do not experience bill shock. These bundles include microbundles, social media bundles, XtraByte, P2P Social

Data and digital offerings such as ayoba and MusicTime. Each operating company segments customers, which has improved relevance of the value propositions and the bundles thereof to customers.

*Refer to driving digital inclusion on page 55 for more information on various digital offerings.*

MTN has also enhanced its try before-you-buy programmes to offer free data over longer periods. Through this programme customers realise the benefits of data use for free without the limitations of once-off soon-to-expire data. Through in-depth customer segmentation, we provide relevant offers to our customers at the right time.

### Education and ease of access

*Enhancing digital literacy and ease with which data can be accessed*

MTN Data-Smart programme, launched in 2019, is a digital literacy programme based on the Global System for Mobile Communications Association's (GSMA) Mobile Internet Skills Training Toolkit. The programme is designed to improve people's basic understanding of mobile internet and applications. In 2020, we primarily provided training through digital channels instead of our traditional face-to-face approach, with zero-rated links supplied to short educational videos across training modules centred on various internet use cases. We also expanded programme modules to include training on ayoba, cybersecurity and mobile money. Through our continued partnership with the GSMA, we translated training modules into local languages such as Arabic, French, and Kinyarwanda.

MTN Data-Smart is now available in eight markets (Nigeria, Cameroon, Uganda, Rwanda, Côte d'Ivoire, Benin, Guinea-Conakry, Congo-Brazzaville). In 2020, we tutored more than 18 million people using internet services and accessing relevant, meaningful content. Nigeria, as one of MTN's largest markets, represented 14 million of those trained through physical and digital channels.

### #WeSaidWeWould2019

Focus on education through established partnerships with GSMA and Facebook, among others, capitalising on the multiplier effect this has on the digital wellbeing of our customers. We aim to train more than 10 million customers in 2020 and help connect these customers to the global community – **Achieved.**

## Our value creation

- 32,9% average reduction in data tariff, bringing down the cost to communicate.
- Coverage to about 8,5 million people since inception.
- Over 114,3 million active data subscribers supported.
- Additional 684 rural sites have provided coverage to 8,5 million people.
- Distributed 2,5 million smartphones (3G and 4G) from MTN's portfolio to operating companies.
- Benchmarked data prices across all operating companies against the UN's internet affordability target.
- Zero-rated more than 108,6TB of traffic through educational and school websites.
- Educated more than 18 million people on digital literacy.

## Looking forward

Through the execution of our CHASE framework, we aim to add another 20 million people to our data subscriber base while closing the usage gaps.

- **Coverage:** Deploy 1 872 rural sites and 2 072 additional sites in 2021 covering more people and closing the coverage gap further.
- **Handsets:** Confirm our long-term device affordability strategy and scale device affordability solutions, including subsidies and device financing across our markets, by further investing in enabling platforms and seeking partnerships across the device ecosystem.
- **Affordability:** Implement initiatives across all operating companies to maintain or improve our performance against the UN's internet affordability target.
- **Service bundling:** Improve service bundle offerings to ensure each new subscriber can experience the benefits of data usage, targeting their individual needs of today and tomorrow.
- **Education and ease of access:** Continue our digital literacy support through scaling of MTN #Data-Smart by offering training through various channels, including newly revamped content from GSMA.





# Advancing voice connectivity

## Our approach

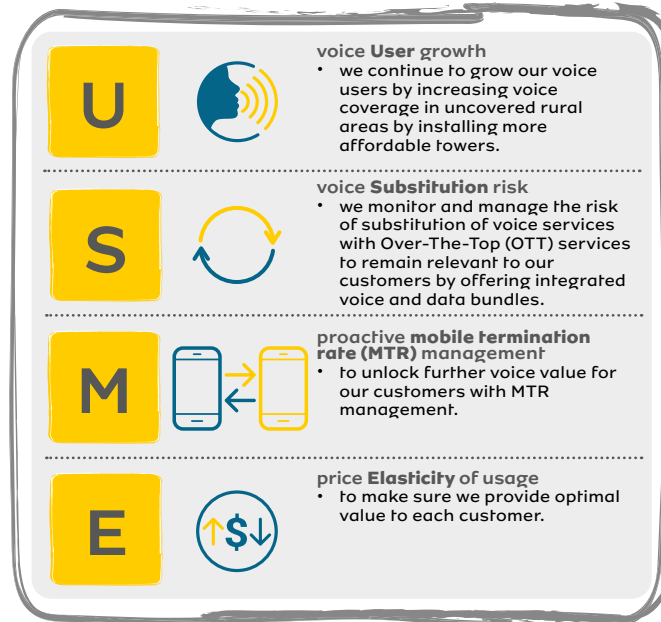
Demand for voice services is declining rapidly in global markets as industry dynamics shift towards data. As a result, voice services relevance for the customers is likely to decrease. Demand for voice services is also decreasing in Africa, albeit at a slower rate. Voice services provide a lifeline to customers where coverage gaps preclude the use of data-enabled services.

High-quality, affordable voice services remain a vital communication channel for many of our customers in rural low-income markets. In 2020, we introduced our U.S.M.E voice strategy to increase the sustainability of voice services by boosting our offering in these markets. U.S.M.E is a holistic voice strategy that complements our CHASE framework, which is data focused. The development and implementation of a new voice strategy affirms our commitment to providing both data and voice at affordable rates.

## What we did

### Developed a holistic voice strategy – U.S.M.E

U.S.M.E streamlines our approach to voice connectivity by providing a framework to guide our operating companies in growing and maintain voice services.



## Our value creation

- We have connected more voice users, with our voice subscriber base increasing by 7% in 2020 and average minutes used per subscriber increasing by approximately 12%.

## Looking forward

- Continue to build on the U.S.M.E strategy as our clear framework for voice services, guiding our operating companies.
- Assess and select innovation opportunities in voice services which are most viable.
- Leverage our position and our infrastructure to provide an unprecedented voice experience for our customers.



# Accelerating financial inclusion

## Our approach

Digital finance solutions have shown socioeconomic development and associated GDP growth across Africa and the world<sup>1</sup>. Africa was the global leader in mobile money before the pandemic. The ensuing disruption further accelerated the digitisation of financial services across the continent and in the Middle East.



MTN plays a key role in the evolution of the mobile financial services (MFS) industry. Our MFS solutions were previously focused mainly on in-store payments, remittances, prepaid services, mobile wallets, micro-loans and micro-insurance. We continue to scale these services, but we are also looking to create a digital marketplace that supports cashless and digital economies. This year we had the opportunity to provide affordable, inclusive, understandable and comprehensive financial services in Africa and the Middle East. We also launched MoMoBusiness, to enable Small and Medium Enterprises (SMEs) to access banking and enterprise development services.

**We aim to be the largest fintech platform in Africa, accelerating economic and social development through digital disruption**

<sup>1</sup> IMF The promise of fintech: financial inclusion in the post-COVID-19 era.

## What we did

The COVID-19 pandemic accelerated the use of digital transactions. Across our operations, person-to-person payments were zero-rated which saw not only ease of use, but acceptance of mobile transactions. Our payment solutions also supported small, medium and large enterprises to continue operating despite lockdown and social-distancing measures across the footprint. The digital onboarding of our services such as MoMoPay also accelerated its growth.

### Offering more products to more customers through MoMo

In 2020, we launched MoMo in Afghanistan and South Africa. While we continue our efforts to obtain a payment services bank licence in Nigeria, we offer our customers over-the-counter financial services through our super-agency or agency banking licence.

We have also expanded our mobile financial services portfolio, improved customer engagement and grown our active monthly users across our product suite and markets.

46,4m



Mobile financial services customers  
(2019: 35m)

17



Mobile financial services markets  
(2019: 14)

802 000



Active agents earning revenue from MoMo  
(2019: 517 000)

R200bn



Average value of transactions facilitated per month  
(2019: R120bn)

### #WeSaidWeWould2019

Expand and scale our basic MoMo services in new markets (SA, Nigeria, Afghanistan, Sudan, South Sudan) and launch aYo in Côte d'Ivoire in 2020 – **Achieved in some regions and progressed in other regions.**

### #WeSaidWeWould2019

Develop solutions for high-potential industry verticals such as government, e-commerce, transport and agriculture. This includes pilots with strategic partners in digitising transportation – **In progress, in 2020 we started the development of both e-commerce and transport platforms, with a launch expected in 2021.**

### Cashless transactions for small businesses – MoMoPay and MoMoBusiness

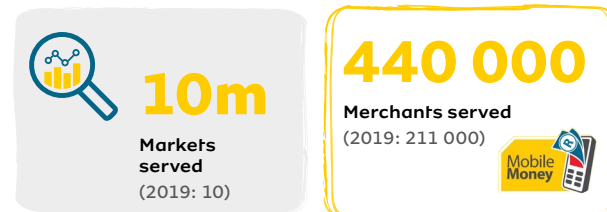
MoMoPay continues to develop secure, convenient, efficient payment instruments and channels to drive adoption and inclusion while maintaining a digital-first approach. While COVID-19 impacted direct merchant acquisition, this was mitigated by our self-onboarding solutions which allows potential merchants to sign up for the service through various channels.

The adoption of MoMoPay has increased significantly. The number of MoMoPay merchants increased more than 100% from 211 000 in 2019 to 440 000 in 2020, while the service's unique users increased by 90,4% to 3,8 million subscribers. Initiatives such as a simplified integration through the MoMo Application Programming Interfaces (API) platform allowed multiple partners and vendors to integrate into the MoMo platform seamlessly. Further improvements of the consumer and merchant MoMo app, such as adopting QR-based payments, enabled a broader scope of services.



## Accelerating financial inclusion continued

Based on our business customers' unique needs, we developed and launched MoMoBusiness in Rwanda, Ghana, eSwatini and Zambia in 2020. MoMoBusiness is a MoMo-driven public web interface created to empower businesses of any size to digitise transactions. It enables companies to facilitate bulk disbursements and collections in real-time: anytime, anywhere.



### #WeSaidWeWould2019

Attract new market segments by further extending our services from a largely consumer-driven approach to include products and services for small, micro and medium enterprises – **Achieved with the launch of MoMoBusiness.**

### MoMo Kash loans and savings

Early in the COVID-19 pandemic, there was a reduction in lending across all our markets. Together with our partners, we tried to mitigate risks associated with the uncertainty of many economies across the world. There was also a sharp increase in non-performing loans during the lockdown periods. However, when economies across our footprint opened again, we saw a natural recovery that has since stabilised to pre-COVID-19 levels.

The average saving per user increased in the initial lockdown period with an almost 10% increase in funds in and out of the savings accounts. In these uncertain times, customers preferred to have quick access to funds from their mobile phones.

New developments in MoMo Kash loans and savings:

- New markets for consumer lending. In South Africa customer pilot/proof-of-concept was launched in December 2020.
- Agent lending: Côte d'Ivoire and Rwanda.
- Additional lending partners in some of the existing markets: Ghana, Zambia and Côte d'Ivoire.

MoMo Kash	2020	2019
Markets served	7	6
Disbursements	US\$77m	US\$70m
Loans per day	58 000	70 000

Savings facility	2020	2019
Customers	3 million active savers	2 million active savers
Average savings	US\$6	US\$4

### Affordable insurance

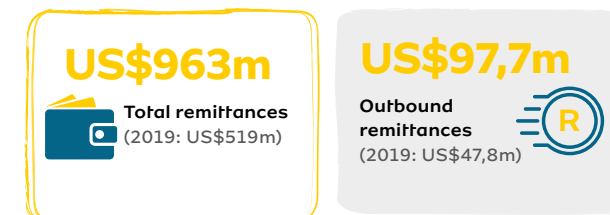
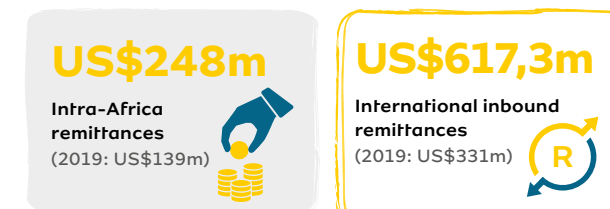
We launched aYo Zambia in March 2020 and have since signed up nearly one million registered customers. We look forward to launching aYo in Côte d'Ivoire early in 2021.

	2020	2019
Insurtech customers	11,3 million	6 million

### Remittances

In 2019, we launched MTN Homeland, which provides an essential cross-border remittance service to people living outside Africa and the Middle East. Customers can conduct affordable, instant and reliable cross-border and cross-network transactions. Users are not limited to transferring funds or sharing airtime on MTN's network alone, but also to other operators. In 2020, in line with the UN SDGs target, we revised the pricing of remittances, making the overall cost of MTN Homeland remittances lower than 3% of the value remitted.

We have also enhanced the customer journey making it more user-friendly. We continue to search for partners for our remittance offering in new markets and corridors into and across Africa. In 2020, we almost reached the US\$1bn mark (2019: US\$519m) in remittances, representing an increase of more than 99%.



### #WeSaidWeWould2019

Expand the reach of MoMo by launching the second phase of MTN Homeland, enabling remittances from the US, Australia, United Arab Emirates (UAE) and other corridors into Africa in 2020 – **Achieved: New corridors within Africa have been established, however, regulatory challenges have hindered finalisation of corridors into Africa.**

## Accelerating financial inclusion continued

### Extending OpenAPI in more countries

MTN MoMo OpenAPI is now live in 10 countries. This software allows different applications to easily integrate, enabling other programmers and developers access to our mobile money platform along with other mobile financial service applications.

- **2019:** Uganda, Ghana, Zambia, Côte d'Ivoire, Cameroon, Benin and Congo-Brazzaville.
- **2020:** eSwatini, Rwanda and Guinea-Conakry.

MTN MoMo Open API has enabled more than 2 000 developers, entrepreneurs and enterprises to work with MoMo across our 10 countries. Some of these include ride-hailing services, e-commerce start-ups, solar providers and payment aggregators.

### Building safer mobile financial services

MTN continues to pursue an integrated approach to anti-money laundering, counter terrorist financing, fraud and risk in the mobile money ecosystem, including detection, prevention, education, partner collaboration and certification.

In 2020, we increased our GSMA mobile money certified operating companies to include Rwanda. We are now certified in five markets, including Côte d'Ivoire (2018) and Uganda, Ghana and Cameroon (2019). Certification centred on eight principles addressing almost 300 required and 200 recommended indicators to ensure safer, more transparent and resilient financial services as specified by GSMA. Operators are required to comply with all specifications to be certified.

### Our value creation

- Facilitated R200 bn in transactions per month on behalf of 46,4 million mobile financial services customers in 16 markets.
- Increased MoMoPay merchants by nearly 100% to 440 000.
- Made disbursement to the value of US\$77m in six markets through MoMo Kash.
- Facilitated a total of US\$963m in remittances.
- Enabled more than 2 000 developers, entrepreneurs and enterprises to work with MoMo through MTN MoMo OpenAPI, which is now live in 10 countries.

### Looking forward

- Launch full mobile financial services in Sudan in 2021 while continuing efforts to obtain a payment services bank licence in Nigeria and pursue expansion into additional markets, including South Sudan and Yemen.
- Attract and develop new market segments, including the commercial launch of new services across the SME, transport, e-commerce and savings and lending sectors.
- Extend various service offerings to new markets including open API, MoMoBusiness, aYo and saving and lending.
- Continue to enhance the remittance business with new corridors, including the US and the UAE, and develop value adds such as offering data and free minutes as an incentive to recipients to express their gratitude to senders.





# Driving digital inclusion

## Our approach

People and communities that are connected are empowered, including marginalised groups such as women and youth. Connection depends on digital inclusion, which is achieved through access to internet connectivity, affordable devices, digital literacy and adoption of mobile internet. Digital inclusion is considered a key pillar of COVID-19 recovery and achievement of the UN SDGs.

Our CHASE framework addresses the access barriers and digital literacy required for financial and digital inclusion. Our digital services drive the adoption of mobile internet by providing local content. With the majority of content on the internet in English and focused on data-heavy smartphones, local content plays a critical role in promoting mobile internet adoption in developing countries.

Our super-app, ayoba, provides users with highly localised access to an ecosystem of digital and rich media services through channels, micro-apps and payment solutions. These digital services leverage our established customer base, local knowledge, presence and customer insights. ayoba also enables MoMo services and third-party innovation. Businesses and content providers can engage with their customers using multimedia channels. This enables MTN to deliver more value to the broader ecosystem of businesses, users and local developers and create experiences optimised for local communities.

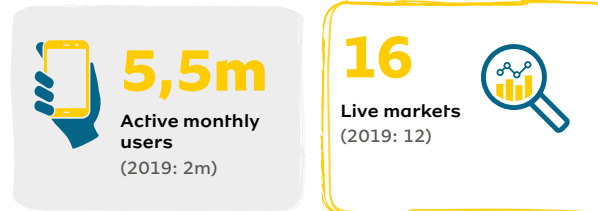
## What we did

### Developing ayoba into a super-app

Ayoba has been developed from a messaging app into a super-app platform throughout 2020.

More content, including localised third-party content, has been added to the ayoba channels. MusicTime, for example, which began as a MusicTime channel is now a permanent part of ayoba, with an embedded music player offering free music content, tailored to each country.

Ayoba launched the ayoba developer portal in 2020, marking the beginning of ayoba's third-party and ecosystem development ambitions. The new MicroApps feature showcases ayoba games to begin with, while simultaneously opening the ayoba API to third-party developers. The first non-gaming MicroApps were launched in December 2020.



### #WeSaidWeWould2019

The integration of MoMo into the ayoba platform is underway and is expected to go live in 2020 – **Achieved.**

### #WeSaidWeWould2019

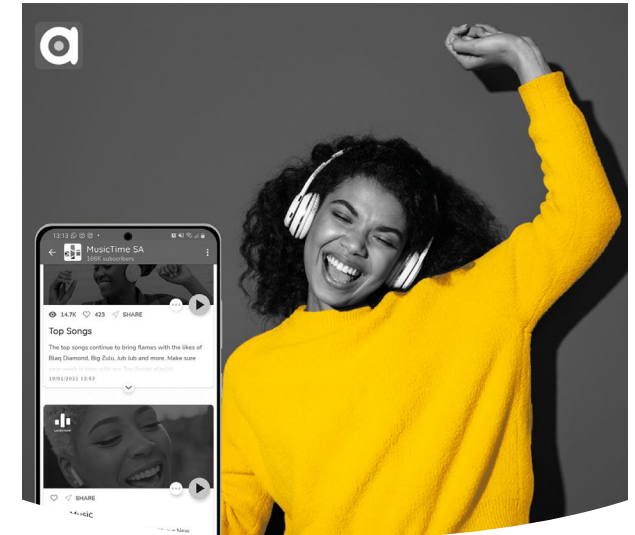
MicroApp functionality will be fully embedded in the app in the 2020 and 2021 financial years – **Achieved.**

### Accelerator programme with the University of Cape Town (UCT) Solution Space

The MTN Group has provided considerable support to the UCT Solution Space since its inception six years ago. It has helped build up high-impact early stage start-ups through the E-track accelerator programme. At the end of 2020, MTN Group moved the programme under ayoba to focus on further developing the app ecosystem around the platform.

### Our response to the COVID-19 pandemic through ayoba

In uncertain times, the spread of inaccurate or false information can be dangerous. To counteract the spread of



misinformation, ayoba used World Health Organization (WHO) information to provide factual content related to the COVID-19 pandemic to its customers. In spreading accurate information, we can help reduce panic and damage caused by misinformation. Between March 2020 and December 2020, we provided more than 230 000 customers with reliable, factual information.

### Providing localised content

Partnerships with local content providers are crucial to ensure that we provide relevant content in the markets in which we operate. In 2020, MusicTime teamed up with Africori, an African local-content label in Zambia, to offer more local and regional content. MusicTime also appointed MCC, a specialist music agency in Ghana, to sign and support local artists. To date, 50 artist's channels have been launched in ayoba, giving artists exposure and supporting the local music industry.

## Driving digital inclusion continued

### Release of the first time-based music streaming app – MusicTime

MusicTime launched in seven operating companies. MusicTime Premium – which includes daily, weekly and monthly subscription plans – is available in South Africa. In 2020, MusicTime also launched a free section within the MusicTime app that caters for customers who cannot afford the cost of other streaming services or MusicTime's paid service, MusicTime Flexi.

### Partnerships to develop local gaming industry

MTN has partnered with Gameloft to form MTN Gameworld through content distribution agreements signed in Nigeria. This partnership also supported local gaming developers, Gamsole and Chopup, a division of Pledge51. The partnership has resulted in the publishing of 20 locally developed games on the MTN Gameworld platform.

#### #WeSaidWeWould2019

In partnership with UCT's Solution Space Venture Incubation programme and MTN Global Sourcing and Supply Chain (GSSC), we are hosting a digital innovation week, to build our supplier ecosystem in a bid to connect with smaller suppliers and entrepreneurs – **Unfortunately, the digital innovation week was postponed due to COVID-19 restrictions. Ayoba hosted a virtual hackathon instead with more than a hundred developers participating. The winning teams concentrated on edtech and medtech solutions that were later launched as MicroApps on the ayoba platform – In progress.**

#### #WeSaidWeWould2019

Bot functionality will be added to the platform, introducing a new method of engaging with customers to complement our conversational interface – **The success of channels, Music and the richness of interaction with MicroApps led to putting bot functionality on hold until 2021.**

### Our value creation

- 5,5 million active monthly users in 16 markets.
- Provided 230 000 customers with factual information related to the COVID-19 pandemic.
- Launched MusicTime in ayoba in 14 operating countries with 10 playlists of 20 titles each, and enabled 50 artist's channels with localised content.
- 20 locally developed games.
- 79 developers participated in ayoba Hackathon.
- More than 200 early-stage start-ups developed through the E-track accelerator programme.

### Looking forward

- Launch MoMo in the ayoba app in Congo-Brazzaville in 2021.
- Voice and video call (VoIP) will be the main feature developed in ayoba in 2021.
- Continue to optimise existing services such as music, gaming and channels.



# Unlocking digital innovation for SMEs

## Our approach

The SME sector is the continent's current and future economic growth engine. These businesses span various industries ranging in size from a one-person shop to a 100-strong business. SMEs are the lifeblood of the African economy, employing an estimated 80 percent of the continent's workforce in both the formal and informal sectors.<sup>1</sup> SMEs are entrepreneurial and agile by nature and are often at the forefront of digital innovation.

MTN creates opportunities to disrupt and challenge the status quo of traditional business models. We provide a digitally inclusive environment in all our markets and are positioned as a preferred connectivity solution partner. We prioritise the inclusion of SMEs as part of our supply chain.

The COVID-19 pandemic has put many SMEs in a difficult position, with innovation imperative to survival. Our approach to enterprise development is to support SMEs by enabling inclusive, sustainable economic growth that ultimately enables job creation.

### We focus on SME needs:



- **Access to markets:** MTN supports SMEs in reaching their customers and creating awareness around their brand, products and services through digital marketing.



- **Access to finance to manage cash flow:** We support SMEs in accessing finance to better manage their cash flows in the face of reduced revenues.



- **Skills development:** MTN provides skills development to SMEs to pivot from traditional business models to digitally savvy business models able to use various digital business solutions and marketing.



- **Tailored business connectivity and productivity solutions:** We offer tailored products and services to cater to the needs of SMEs.

## What we did

### Understanding the evolving needs of SMEs and building their capacity

Our online masterclasses have created a forum for MTN to support SMEs' critical needs and provide skills, services and other business advice. In the COVID-19 pandemic context, these sessions have provided an invaluable understanding of SMEs' changing needs as they try to survive and remain relevant. These needs informed our understanding of their customer service, channel interaction, service delivery, marketing and operational requirements.

Online capacity-building masterclasses focused on work-from-home productivity and skills development, how-to classes on accessing additional support and education opportunities, as well as soft skill development such as leadership in a time of crisis and building resilience. Thought leaders from government, universities and various businesses participated in the masterclasses.

#### #WeSaidWeWould2019

Deeper understanding of evolving SME needs – **Achieved.** We have evolved our segmentation model and framework for each of our markets, providing a richer understating of the market's needs and insight into channel preference and service delivery preference and service needs among others. These insights inform MTN's go-to-market models that our operating companies implement.

### Building an SME community across our markets for shared learning and business development

Internally, a well-developed SME expert community across our markets frequently shares learnings on best practices and provides market benchmarked and market-leading go-to-market strategies in each operating company. These localised communities ensure consideration of local market dynamics when creating propositions and

go-to-market approaches. In addition, all markets have access to customer needs from other markets, providing an opportunity to learn from one another.

An unexpected effect of the COVID-19 pandemic is that we have increased our understating of evolving customer needs as more and more SME customers engage in these online communities. These engagements have shaped MTN's new propositions and go-to-market strategies.

#### #WeSaidWeWould2019

Build an SME community across our markets for shared learning and business development – **Achieved.** MTN provides various masterclasses based on SME needs, providing a forum that builds an SME community, sharing learnings and encouraging business development across our markets. This has proved vital in the face of the challenges brought about by the COVID-19 pandemic.

### Providing SMEs with access to new markets through our Fusion partner programme

MTN provides SMEs with opportunities to access new markets through MTN Fusion, a partner programme that onboarded more than 50 SMEs across 12 operating companies in 2020. These partners have a broad range of capabilities that leverage technology and local knowledge, providing SMEs with the opportunity to resell MTN products.

#### #WeSaidWeWould2019

Providing SMEs with opportunities to access new markets – **Our partner programmes have onboarded more than 50 SMEs across 12 operating companies. Achieved.**

### Enabling access to finance

As part of our enterprise development initiatives, we have launched MoMoBusiness, a mobile money platform that enables SMEs to access banking and enterprise development services. The platform supports SMEs by providing access to banking facilities with reduced transaction fees. In some markets, these transaction fees were zero-rated.

<sup>1</sup> McKinsey & Company, How South African SMEs can survive and thrive post-COVID-19, June 2020.

## Unlocking digital innovation for SMEs continued

### Increasing business connectivity

In 2020, MTN developed work-from-home propositions across our markets, concentrating on mobile and fixed solutions that enabled both voice and data connectivity. We concentrated on private access point connectivity for businesses where multiple users in an organisation can use one single network when accessing the internet. Businesses also benefited from unified communications and cloud business productivity tools, enabling companies to operate remotely through audio conferencing, video conferencing and full unified communications collaboration tools.

We also provided bulk SMS services to enable marketing, general communication and essential services communication in both the private and public sector as marketing needs became digital.

#### #WeSaidWeWould2019

Provide innovative and relevant connectivity-led solutions for SMEs – **Achieved. MTN launched work-from-home propositions across 14 markets providing tailored connectivity for mobile data and fixed data services to SMEs.**

### Implemented IoT solutions through partnerships

MTN is in the process of building a partner ecosystem consisting of a network of partners who can work together to deliver end-to-end IoT solutions, starting with Freight and Fleet Management, Infrastructure Monitoring and Small Office Security. Efforts are also underway to build internal capacity and capabilities to ensure these solutions can be rolled out across multiple markets where there's adequate demand.

We are confident that the broadening of our IoT solutions portfolio will enable us to grow our revenue base and move up the stack in the IoT value chain.

In delivering these solutions, we will follow a robust and agile process that will enable us, jointly with our customers to:

- Envision the possibilities of IoT and what that could mean to partner organisations.
- Develop proof-of-concept – this allows partners to see how IoT will work with their systems, and its benefits.
- Deploy IoT solutions into production and provide ongoing support for those solutions.

- Security is one of the largest areas of concern in IoT, consequently we will offer security implementation services to help establish successful IoT solutions.

*For an example of how MTN has created IoT solutions with various partners, see page 46.*

### Our value creation

- Supported over 4,6 million SME customers across our footprint.
- Onboarded 50 SMEs across 12 operating companies to our Fusion partner programme.

### Looking forward

- Continue the rollout of enhanced segmentation models that provide richer insight into SME customer needs.
- Drive digitisation and automation of channels to market, to reach more SMEs in a cost-effective manner.
- Provide innovative and relevant connectivity and business productivity-led solutions for SMEs.
- Enhance the SME communities built across our markets to increase shared learning and business development through various platforms and tools.





# Investing in infrastructure to unlock growth

## Our approach

As the global adoption of digital technologies increases at an unprecedented pace, extensive infrastructure is required across the globe to meet demand. Physical infrastructure in the telecommunication industry is costly and resource intensive to develop. Telecommunication companies globally have shifted towards infrastructure sharing to reduce costs<sup>1</sup>. Optimising and sharing connectivity also represents a considerable opportunity to create shared value. An ecosystem of shared connectivity contributes to achieving UN SDG 9, highlighting the importance of increasing connectivity penetration.

MTN has invested in infrastructure with the capacity to provide connectivity to millions of users across Africa. GlobalConnect, MTN's wholesale and infrastructure operating company, was established in 2017 to unlock value from existing fixed infrastructure across all operating countries. Today, GlobalConnect extends wholesale and infrastructure services to other carriers, Internet Service Providers, and digital players. The shift in the way we think about connectivity will deliver improved quality and lower costs due to scalability.

Our core belief at the MTN Group is that everyone deserves the benefits of a modern connected life. Our vision is to lead the delivery of a bold, new digital world to our customers. GlobalConnect is on a mission to ensure everyone is connected securely making the highways of telecommunication accessible across Africa.

## What we did

### Increased connectivity through wholesale opportunities

Since the launch of GlobalConnect in 2019 as a separate operating company, it has entered into a joint build agreement – the 2Africa consortium – with subsequent contracts. 2Africa is one of the largest subsea projects in the world.

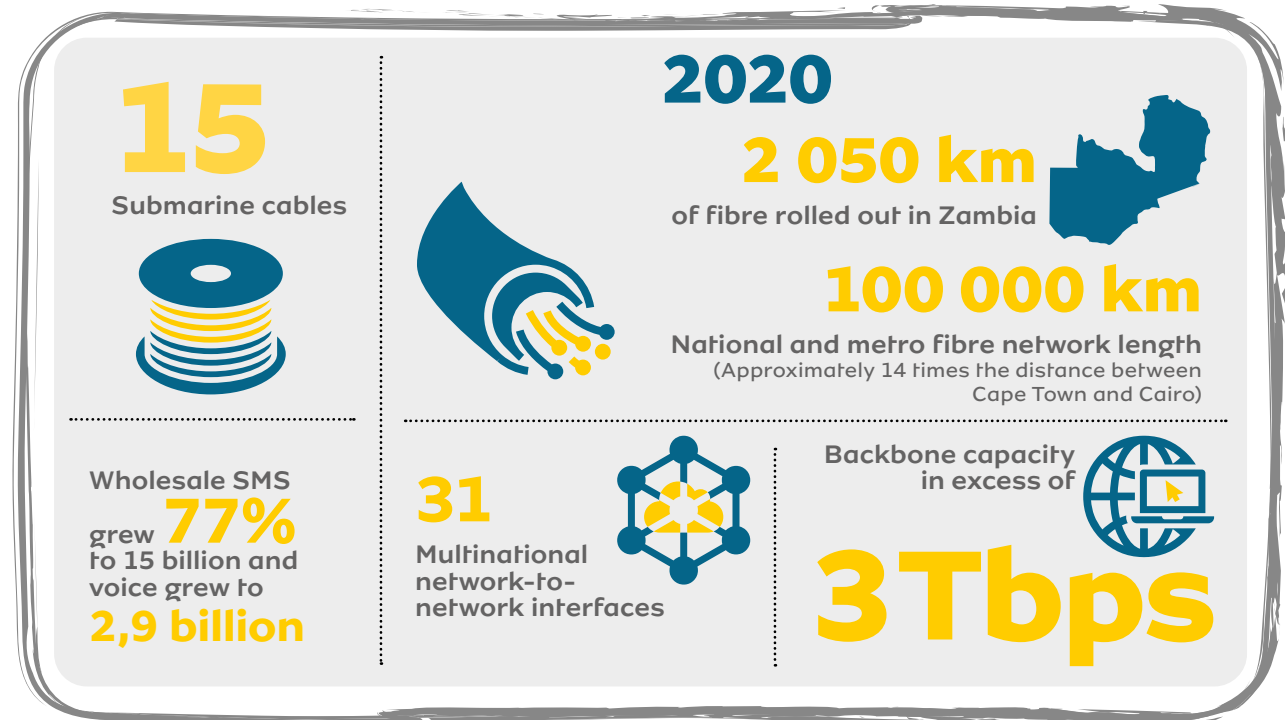
In 2020, we completed multiple submarine cable service restorations due to unplanned outages and in record time. In addition to standard restoration procedures, we took extra measures to ensure the resiliency of our network, adopting a more agile operational mindset. The pandemic has positioned digital connectivity as an essential service everywhere in the world to connect homes or those working from home. GlobalConnect is hyper-scaling to connect African countries to each other and the rest of the world.

## Our value creation

- >R50bn expenditure on networks in support of fixed investment in our markets.
- Wholesale has benefited 29 countries of operation through 47 multinational points of presence.
- Making access as easy as a single-entry doorway to MTN's 21 operating companies with a single wholesale contract and service-level agreement. Providing access to multiple Y'elloConnect wholesale Hubs for messaging, voice, signalling and roaming.

## Looking forward

- As part of Ambition 2025, we are expanding Africa's fibre railroads. To date, we have signed four cross-border fibre contracts for inter-country connectivity, and an additional 10 000km of fibre is being built.



<sup>1</sup> GSMA – The mobile economy 2020.

# Creating a new generation of developers

## Our approach

An increasingly digital and connected Africa provides new ways for entrepreneurs and consumers to participate in the economy and increase Africa's economic competitiveness globally. The increasing popularity of open APIs on the continent creates opportunities for a new generation of developers and digital businesses. APIs make it easier for entrepreneurs and businesses to access new revenue streams and maximise customer value by delivering high-quality, differentiated, profitable features and services, faster and more cost-effectively.

In 2020, MTN launched Chenosis, the first pan-African API marketplace. Chenosis enables developers to tap into an extensive library of open API products and services from across the continent. These range from telecommunications, e-health, e-government, IoT, fintech, e-commerce, identity and authentication, payments and collections, location and more, from a single marketplace. Developers and businesses have access to a growing library of open APIs published by local and international start-ups and businesses.

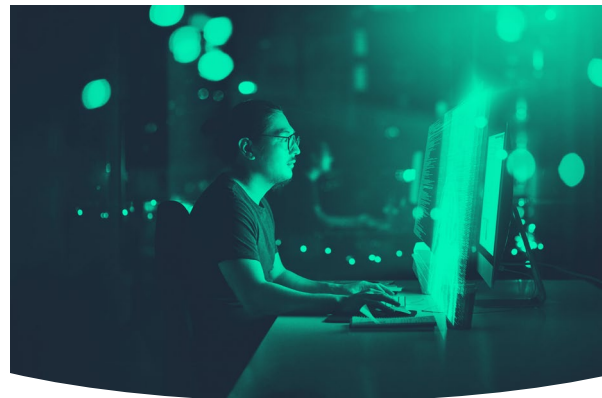
## What we did

### Onboarding developers

Chenosis is reshaping the API marketplace for developers and businesses alike. Since its launch in August 2020, over 4 000 users have signed up on the marketplace and over 300 developers have joined this uniquely pan-African marketplace. The ecosystem enables developers to publish and monetise their various APIs.

### Advancing strategic partnerships

Chenosis has been developed as a separate brand and entity, with an arm's-length relationship with MTN. As such, it remains open to all mobile network operators, fintech start-ups, payment service providers, mobile wallet operators, financial service providers and others. Strategic partnerships are an instrumental part of the ecosystem. In 2020, Chenosis engaged with over 110 partners and finalised 11 partnerships targeting about 75 individual APIs in various categories.



For example, Chenosis recently announced strategic partnerships with Blusalt, a Nigerian-based emerging digital platform provider; Gwiro, a leading software services company founded in South Africa; and EDGE Evolve, a global provider of electronic healthcare, hospital management and patient care systems. In response to the COVID-19 pandemic, EDGE Evolve is making its eMed hospital management suite of APIs available for developers, healthcare providers, hospital and clinic operators. The first of these APIs will be much-needed patient management APIs. The system provides error-free data that support effective decision making, enhancing operational efficiencies while reducing operating cost.

## Our value creation

- Signed up more than 4 000 users on the marketplace and over 300 developers who have generated almost 100 application keys.
- Finalised 11 partnerships offering about 75 individual APIs from more than 110 partner engagements. More than 300 prospects remain in our engagement log.

## Looking forward

Chenosis intends to be the largest library of open APIs published on the continent – as well as the preferred monetisation and API discovery and integration point – and to capture a significant share of the estimated US\$1 trillion global API economy by 2025. Key priority areas:

- Chenosis is available to all developers and businesses who would like to access the API marketplace globally.
- The Chenosis brand and trademarks are registered across all the key markets in Africa, Europe and North America.
- One of the key ambitions of Chenosis is to help improve payments and collections ecosystems across Africa and the integration of various mobile money offerings as an integrated payment option is a crucial part of that.



## ESG indicators performance



### Pivot Africa Together – Fourth Industrial Revolution (4IR) programme

The rate of digital adoption and **inclusion of e-commerce** into **entrepreneurial ventures** on the continent has lagged behind the rest of the world. **Without basic ICT access, knowledge and exposure** to a digital world of possibilities, entrepreneurs, and **vulnerable groups** such as **women**, are often **excluded** from participating in the **growing digital economy**.

#### Case study

With at least one in five African youth not employed, in education or training\*, the need to provide opportunities that leverage digital platforms, to drive innovation and entrepreneurship, remains critical, and a key driver of development and economic growth on the continent.

To this end, MTN has developed Pivot Africa Together, a 'market-creation innovation' programme that aims to use AI to develop services where no digital services exist, or where existing digital services are neither affordable nor accessible.


The programme encourages the development of advanced services within health, agriculture and education, leveraging MTN South Africa Foundation's ICT initiatives to develop outcome-based digital entrepreneurship training. The first phase of the project is focused on equipping women, youth and small business owners with future-fit skills, including software development, digital marketing and user experience design. The second phase will leverage the skills and data created to develop internet and business AI services.

Over 900 students, in several participating universities in South Africa have been upskilled. In September 2020, the programme welcomed the first group of black female farmers. These farmers have been instrumental in tailoring the training for small business operators and have used the software development services from the students' companies to build digital platforms. Based on current projections, we look forward to seeing the platforms co-created by the students and black female farmers available within the second half of 2021.

\* International Labour organisation: Global Employment Trends for Youth 2020: Africa.

# ESG indicators performance continued

The table below lists MTN's social and environmental, and social business performance in terms of the standards described in the sustainability reporting standards and guidelines at the beginning of this report. We set out our performance in terms of material indicators that provide a clear, comprehensive and useful measure of our progress quantitatively.

This statement complements and extends the MTN Group statement on how we create and sustain value. The Group's GRI Content Index and other sustainability and integrated reports are available at [www.mtn.com](http://www.mtn.com). 

Indicator	Unit	2020	2019	2018	2017	2016
<b>Eco-responsibility</b>						
<b>Total energy consumption</b>	GJ	<b>20 584 208</b>	22 808 701	19 543 742	19 095 879	13 958 119
• Electricity	GJ	<b>6 540 662</b>	6 293 608	5 997 898	4 939 263	4 327 157
• Diesel	GJ	<b>13 877 973</b>	16 315 508	13 257 391	13 699 077	9 050 707
• Other (Petrol, LPG and natural gas)		<b>165 573</b>	199 585	288 452	457 539	580 255
<b>GHG emissions total</b>	Tonnes carbon dioxide and equivalent (tCO <sub>2</sub> e)	<b>2 138 517</b>	2 281 348	2 131 042	2 006 248	1 609 174
• Scope 1: direct emissions	tCO <sub>2</sub> e	<b>272 695</b>	466 163	270 721	324 101	315 603
• Scope 2: indirect emissions	tCO <sub>2</sub> e	<b>953 351</b>	895 748	973 465	806 339	755 109
• Scope 3: indirect emissions	tCO <sub>2</sub> e	<b>912 471</b>	919 437	886 857	875 808	538 462
GHG intensity per subscriber	tCO <sub>2</sub> e/subscriber	<b>0,00764</b>	0,0090	0,0091	0,0091	0,0071
Energy savings: diesel	kℓ	<b>3 898</b>	6 126	0 030	313	3 705
<b>Alternative energy sites</b>						
• Cumulative to year under review	Number	<b>4 562</b>	4 262	3 578	3 147	2 688
• Current year under review	Number	<b>300</b>	684	64	459	1 001
<b>GHG avoided/reduced</b>	tCO <sub>2</sub> e	<b>156 996</b>	28 889	2 188	1 529	833
<b>Green office</b>						
• E-waste	Tonnes	<b>31</b>	784	272	216	537
• Paper use avoided	kg	<b>18 353</b>	2 477	225	1 617 685	15 646
• Electricity savings: non-technical operations	kWh	<b>49 492</b>	1 059 129	477 723	807 181	518 023
• Potable water savings	kℓ	<b>2 112</b>	No reported savings	86	144 000	Not available
• General waste reduced/recycled	kg	<b>3 314</b>	38 436	18	141 728	Not available
• Plastic, metal, drinks cartons avoided	kg	<b>No reported savings</b>	32	No reported savings	1 540	1 808





# ESG indicators performance continued

Indicator	Unit	2020	2019	2018	2017	2016
<b>Future fit workplace</b>						
Total employees	Number	19 295	19 288	18 835	18 931	19 989
Contractors and temporary employees	% of total employees	16	16	Not previously reported	Not previously reported	Not previously reported
Employees retrenched	Number	22	100	151	337	330
<b>Females</b>	%	38	37	37	37	37
• Females at Group Board level	Number	2	3	4	3	3
• Female management level 3 and up	%	29	28	27	27	27
• Females in succession pool	%	24	21	16	Not previously reported	Not previously reported
• Female senior management 3H and up	%	27	26	24	24	24
• Females in middle management	%	30	29	29	29	28
Differently abled staff	%	0,6	0,4	Not previously reported	Not previously reported	Not previously reported
<b>Unionised employees</b>						
• Employees unionised (South Africa)	%	5%	10%	0%	0%	0%
• Employees unionised (Group)	%	0%	0%	Not previously reported	Not previously reported	Not previously reported
Incidents of discrimination	Number	1	Not previously reported	Not previously reported	Not previously reported	Not previously reported
<b>Learning and development</b>						
• Spend	Rm	136	282	270	252	392
• Time spent on employee development	Total hours	898 300	571 445	Not previously reported	Not previously reported	Not previously reported
• Hours per employee	Hours per employee	45	30	18	22	32
Employee culture survey results (Global Culture Audit)	%	81	80	78	75	67
Employees receiving performance review	%	97	99	96	95	95
<b>Wellness and safety</b>						
• Workplace-related deaths	Number	0	0	1	1	3
• Workplace-related serious injuries	Number	4	23	14	34	22

# ESG indicators performance continued



	2020	2019	2018	2017	2016
<b>All employees per region</b>					
Total	19 295	19 288	18 823	Not previously reported	Not previously reported
SEA	6 624	6 782	6 696	Not previously reported	Not previously reported
WECA	6 286	6 052	5 790	Not previously reported	Not previously reported
MENA	4 928	5 040	5 141	Not previously reported	Not previously reported
Head Office	1 326	1 281	1 062	Not previously reported	Not previously reported
Business Solutions	131	135	134	Not previously reported	Not previously reported
<b>Employee breakdown per age</b>					
	2020	2019	2018	2017	2016
Centennials (20 < 25 yrs)	2%	2%	2%	Not previously reported	Not previously reported
Millennials (25 < 35 yrs)	79%	81%	81%	Not previously reported	Not previously reported
Generation X (35 < 45 yrs)	18%	15%	15%	Not previously reported	Not previously reported
Baby Boomers (45 < 55 yrs)	2%	2%	2%	Not previously reported	Not previously reported
<b>New external hires breakdown by gender</b>					
	2020	2019	2018	2017	2016
Total new employees	524	1 229	Not previously reported	Not previously reported	Not previously reported
Male	65,6%	64,4%	63,0%	Not previously reported	Not previously reported
Female	34,4%	35,6%	37,0%	Not previously reported	Not previously reported
<b>Employee turnover breakdown</b>					
	2020	2019	2018	2017	2016
Total	5,6%	5,3%	6,1%	Not previously reported	Not previously reported
Voluntary	3,1%	4,0%	4,5%	Not previously reported	Not previously reported
Involuntary	2,4%	1,3%	1,5%	Not previously reported	Not previously reported
Male	60,0%	56,3%	64,9%	Not previously reported	Not previously reported
Female	40,0%	43,7%	35,1%	Not previously reported	Not previously reported

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# ESG indicators performance continued

Indicator	Unit	2020	2019	2018	2017	2016
<b>Investing in communities</b>						
CSI (MTN Foundations)	Rm	168	189,5	185	172	294,4
Total number of beneficiaries	Number (million)	23,8	1,9	-	-	-
Number of youth beneficiaries	Number (million)	10,5	345 232	-	-	-
Number of girls/women beneficiaries	Number	589 855	458 623	-	-	-
Number of differently abled persons supported	Number	23 360	11 143	-	-	-
Number of projects implemented	Number	134	150	-	-	-
Number of scholarships awarded	Number	1 240	2 585	-	-	-
Number of digital learning/computer laboratories established	Number	18	36	-	-	-
Employee volunteers	Number	1416	11 007	10 003	11 027	10 459
Youth trained on ICT/digital skills during Y'ello Care	Number	*	7 149	-	-	-
Y'ello Care overall beneficiaries (direct and indirect)	Number	*	71 831	-	-	-
Y'ello Care Cause Day beneficiaries (direct and indirect)	Number	*	46 806	-	-	-

\* No Y'ello care took place in 2020, due to COVID-19 lockdown restrictions.

# ESG indicators performance continued

The two tables below depict MTN SA's B-BBEE performance over time:

## B-BBEE results for MTN SA over three years

	Target points	Achieved points 2019	Achieved points 2018	Achieved points 2017
<b>B-BBEE elements</b>				
Ownership	25,00	25,00	24,80	25,00
Management control	23,00	16,63	16,23	15,39
Skills development	20,00	18,71	16,77	11,73
Enterprise and supplier development	50,00	42,89	46,87	42,25
Preferential procurement	25,00	17,04	19,25	14,25
Enterprise development	15,00	17,00	17,62	18,00
Supplier development	10,00	8,85	10,00	10,00
Socioeconomic development	12,00	12,00	12,00	12,00
<b>Total</b>	<b>130,00</b>	<b>115,23</b>	<b>116,67</b>	<b>106,37</b>
<b>YES4Youth 1 Level Uplift</b>		Yes	No	No
<b>Overall ranking</b>		Level 1	Level 2	Level 4

\* MTN is currently in the process of conducting its 2020 annual verification.

	2019	2018	2017	2016*	2019/2016 % increase spend
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## MTN SA procurement statistics (preferential procurement spend – criteria)

BO vendors > 51%	R7,1bn	R6,4bn	R4,2bn	R3,5bn	102
BWO vendors >30%	R10,5bn	R11,9bn	R9,8bn	R9,2bn	13
Exempted micro-enterprises (EME) < R10m	R931m	R443m	R216m	R326m	185
Qualifying small enterprises (QSE) < R50m	R2,9bn	R3,2bn	R1,6bn	R1,2bn	135
Designated groups	R1,0bn	R727m	R52,7m	R0,00	100

\* Based on the Amended ICT Sector Code of November 2016.

\*\* MTN is currently in the process of conducting its 2020 annual verification.





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Indicator	Unit	2020	2019	2018	2017	2016
<b>Ethical practices</b>						
Calls to tip-offs anonymous whistle-blower line	Number	188	132	94	119	120
Additional certified ethics officers	Number	0	7	11	27	Not previously reported
Ethics e-learning course completion by staff	Number	10 284	Not previously reported	Not previously reported	Not previously reported	Not previously reported
Conflict of interest declarations	% of employees	69	55	Not available	Not available	Not available
<b>Disciplinary sanctions outcomes total</b>	Number	<b>355</b>	232	157	400	Not available
• Not guilty	Number	14	7	9	4	Not available
• Counselling	Number	4	8	4	8	Not available
• Verbal warning	Number	39	63	35	76	Not available
• Written warning	Number	96	44	61	87	Not available
• Final written warning	Number	47	38	16	131	Not available
• Suspension	Number	14	17	10	52	Not available
• Dismissal	Number	75	41	20	42	Not available
• Pending	Number	66	14	2	–	Not available
Instances of employees acknowledging colleague ethics/integrity (Recognition system introduced in 2017)		113 010	121 480	100 401	Not available	Not available
Supplier endorsement of supplier code of conduct	Number	1 076	1 670	1 197	175	Not available
Suppliers prequalified following due diligence	Number	1 076	1 670	Not previously reported	Not previously reported	Not previously reported
Suppliers monitored or audited	Number	847	1 273	Not previously reported	Not previously reported	Not previously reported
Suppliers trained	Number	453	293	Not previously reported	Not previously reported	Not previously reported