

*everywhere you go*

**MTN GROUP LIMITED**  
ANNUAL SUSTAINABILITY REPORT  
*for the year ended 31 December 2014*

## About the MTN Group

The MTN Group is a leading emerging markets operator, connecting subscribers in 22 countries in Africa and the Middle East. Our offerings include voice, data and internet services, cloud services, machine-to-machine monitoring technology, mobile money, as well as numerous other mobile services (including mHealth, mEducation and mInsurance). MTN is listed on the JSE Limited in South Africa under the share code "MTN". At 31 December 2014, MTN had over 223 million subscribers across its operations in Afghanistan, Benin, Botswana, Cameroon, Cyprus, Ghana, Guinea-Bissau, Guinea Republic, Iran, Ivory Coast, Liberia, Nigeria, Republic of Congo (Congo-Brazzaville), Rwanda, South Africa, Sudan, South Sudan, Swaziland, Syria, Uganda, Yemen and Zambia.



## Our values



## The global mobile economy

**974 million** global M2M connections by 2020

**2,6 billion** people globally with access to financial services by 2014

**19% mobile broadband** penetration in Africa by end-2014

**69% mobile cellular** growth in Africa by end-2014

**11% households** with internet access in Africa in 2014

**58% cellphone** penetration rate in Middle East by 2020

**342 million** smartphone connections in the Middle East by 2020


Sources: GSMA Intelligence – Mobile Economy 2014; GSMA McKinsey & Company – transforming learning through mEducation, ITU ICT 2014 facts and figures.


# Contents

- 01 MTN's Group president and CEO's message on sustainability** (page 3)
- 02 Sustainable economic value**
  - 7 Enabling digital inclusion
  - 14 Enterprise services
- 03 Eco-responsibility**
  - 18 Environmental management
  - 20 Energy and climate
  - 25 E-waste
- 04 Sustainable societies**
  - 28 Anti-corruption
  - 29 ICT human rights
  - 31 Employee health and safety
- 05 Annual sustainability statements**
  - 33 Standards and governance
  - 34 Sustainability value added statement
  - 37 UN Global Reporting Initiative (GRI) 4 Report
- 06 About this report**
  - 53 Scope, integration and stakeholders
  - 54 Determining material issues
  - 55 Where to find more information
- 07 Glossary**









## 2014 sustainability awards



 [www.mtn.com](http://www.mtn.com); [www.mtn.com/sustainability](http://www.mtn.com/sustainability); [www.mtn.com/investors](http://www.mtn.com/investors)

 Case study on [www.mtn.com/sustainability](http://www.mtn.com/sustainability)

**Reports**

 Governance report	 Annual financial statements	 MTN Group Position Papers
 Integrated report	 Remuneration report	 <a href="http://www.cdproject.net">www.cdproject.net</a>
 UN Global Compact	 UN Global Reporting Initiative	



## 01 **MTN'S GROUP PRESIDENT AND CEO'S MESSAGE ON SUSTAINABILITY**

# MTN's Group president and CEO's message on sustainability



**Sifiso Dabengwa**  
Group president  
and CEO

**MTN's digital connections help transform economies and societies.**

**Q How is ICT changing the nature of societies, governments and businesses?**

**A** The advancement of technology is transforming how we live, work and interact. In the same vein, owing to broadband connectivity and growing access to affordable mobile devices, ICT also empowers even the most marginalised of communities to have greater control over, and more meaningfully participate in, opportunities which can help them improve their lives.

Solutions to problems and opportunities to advance social development, some of which were inconceivable even five years ago, are fast becoming commonplace. The ubiquitous availability of mobile devices means people can now drive digital innovation from anywhere in the world. This level of transformation demands a shift in thinking, a change in traditional ways of working and delivering services, and comprehensive investments in new types of skills.

**Q Is MTN prepared for these changes?**

**A** As an emerging markets operator, the materially larger upside of digital opportunities is mitigated by proportionally greater risks. We know that it is imperative to embrace these dynamics. Our vision of leading the delivery of a bold, new digital world is detailed in our business strategy, focusing on fundamentals such as how we create and manage stakeholder value, innovate, transform our operating model, drive sustainable growth and create distinct customer experiences. We invest in partnerships that offer solutions to challenges and take advantage of emerging opportunities.

**Q What was MTN's role in improving sustainability in its markets in 2014?**

**A** We continue to implement changes to our operating model in order to align ourselves with the growing demand for digital services and solutions in our markets. Our e-commerce partnerships are enabling our customers to enjoy access to products previously only available in more developed countries. Partnering with tower management companies, we are better able to focus on core business delivery. This also helps us and other mobile operators to reduce some of our environmental impact. By investing in the development of local content in our markets, we actively encourage mobile application developers of all ages to develop solutions that can potentially help people participate in economic opportunities and overcome constraints such as lack of access to information, health and education services, among others.

**Q What were some of the challenges MTN faced in 2014?**

**A** Recent research results tell us that appropriate spectrum allocation can contribute up to US\$22 billion in economic benefits to Africa. Our operating environment continues to be hampered by the lack of adequate spectrum allocation, resulting in constrained expansion abilities in some of our markets. Nevertheless, our investments in broadband connectivity and the recent deployment of MTN.net, with over 40 MPLS points of presence in 27 countries, is helping us to enhance our offerings and support our vision of accessible and affordable internet connectivity for all.

# MTN's Group president and CEO's message on sustainability *continued*

The emergence of the Ebola epidemic poses a humanitarian and operational concern in some of MTN's markets. We offered our network and support services for mass communication of key messages to employees, customers, suppliers and communities, to create awareness of the pandemic and its symptoms. We actively continue to support the fight against Ebola in connecting displaced families, our US\$10 million contribution to the African Union's mission to unite against Ebola, and through our internal crisis and risk management processes, overseen by executive management. I am relieved that we only experienced one case of infection by an MTN colleague, who recovered fully.

**Q What did MTN do in 2014 to integrate sustainability into its core business activities?**

**A** We continued to make steady progress in integrating sustainable business practices into our day-to-day activities. Institutionalisation of the Group's ethics management framework remained a priority. We are actively working to strengthen the culture of ethical and responsible practices across our business. The Ethics Institute of South Africa completed the Group's first independent comprehensive ethics risk assessment, profile and mitigation strategy. Ethics governance structures and committee terms of reference were formalised or updated. Codes and policies were updated, training on anti-bribery and corruption was rolled out, and mandatory declarations in terms of the conflicts of interest policy, along with completion of gift registers, was made available digitally. Our ethics programme continues to show meaningful results, as tracked by reports from the Tip-Offs Anonymous line. We were honoured to share our experiences and progress with the UN Global Compact Anti-Corruption and Integrity in Business Dialogue in the National Business Initiative and the Integrity Alliance.

Our efforts to reduce our environmental impact are also starting to bear results. Despite an 8% increase in the number of network sites and a 7,5% increase in subscribers, we maintained our carbon emissions per subscriber at 0,0007 tCO<sub>2</sub>e and achieved savings of around R49,6 million. This is due to our extensive investments in energy efficiency and alternative energy solutions, resulting in lower operating costs, increased energy security and financial savings, and actual avoidance or reductions in greenhouse gas emissions. We were pleased to be rated among the top 500 global companies on corporate sustainability and environmental impact in the 2014 Newsweek Green Rankings.

We continue to actively close the digital divide. More than 4 000 cotton farmers in Zambia now receive MTN Mobile Money payments for their produce. Over 10 000 people in Yemen have accessed medical advice to help them manage health and medical lifestyle risks. Affordable short-term insurance is now available to our small and emerging business subscribers in Nigeria. In Benin, micro-insurance is now available to motorcycle taxi operators. Over 15 000 refugees from Ivory Coast (and medical and security personnel) now have access to mobile communications at one of the largest camps in Liberia. More than 17 000 school children in Uganda and Rwanda can now study longer at night as a result of our ReadyPay solar charging solution. We have enabled charging of 10 250 cellphones and lighting through our distribution dealers and emerging enterprises comprising 17% females. Around 20 000 MTN Mobile Money transactions were facilitated over an eight-month period. Over 12,3 tonnes of greenhouse gas emissions have been avoided through this initiative, for which MTN was awarded the Nedbank Capital Sustainable Business Award for trade and services that create long-term stakeholder value.

**Q With these meaningful results on operating a more responsible business, what is the focus for 2015?**

**A** We have a long way to go before we can say that we comfortably address all our material sustainability prerogatives. We will continue to embed our ethics framework and values and improve our environmental governance and management efforts to mitigate our physical, financial and regulatory risks and impacts. We also want to further invest in digital skills development to improve our technical capabilities for more accessible, affordable and quality communications for our customers. Business partnerships remain a critical element of ensuring we can have a positive impact around scale and scope, and to extend the benefits of the digital society to all sectors.



MTN's strategy, Group performance and outlook for 2014



## 02 SUSTAINABLE ECONOMIC VALUE

## *Sustainable* economic value

**MTN's voice and data products and services are redefining the economic and social landscape in the countries in which we operate.**

The way in which people live, learn, earn income, socialise, improve their lives and advance within their societies has been radically transformed by the digital revolution. Nowhere is the advancement of technology and the digitisation of societies more evident than in Africa, which showed a 69% mobile cellular growth in 2014. MTN's voice

and data products and services are redefining the economic and social landscape in the countries in which we operate, helping add value to the lives of our 223 million customers, their families, and enterprises in Africa and the Middle East.

### **Performance in brief**

**22,2 million** MTN *Mobile Money* subscribers in 16 countries

**1,9 million** *affordable cellphones* now used by MTN's customers

**4 000 Zambia** *farmers* paid for their cotton produce using MTN Mobile Money

**800 000** *solar charges* made to handsets in Uganda and Rwanda

**R15 million** investment in *digital innovation hub* partnership with University of Cape Town Graduate School of Business over three years

**11 countries** access MTN *cloud* services

**40 network points** of presence in 27 countries enhance digital *connectivity* and *quality of service*



## Enabling digital inclusion

Our vision is to bring the benefits of universal broadband connectivity to our customers. To achieve this, we continue to invest extensively in network infrastructure, digital business alliances and cross-sectoral partnerships across the value chain of ICT and traditional services. We also actively encourage local talent to produce mobile applications that are innovative and easily accessible, with a specific focus on applications which can address some of the needs or daily challenges faced by our stakeholders and local communities.

### MTN Mobile Money

GSMA estimates that there are approximately 2,5 billion unbanked people in low and middle-income countries, and more people have access to mobile networks than to formal financial services. The use of mobile telephones to deliver basic financial services and support participation in economic systems represents a unique opportunity for MTN to support the growth of cashless societies, and help our customers overcome some of the hurdles that exist in accessing and affordably using traditional banking services.

MTN Mobile Money has over 22,2 million registered users in 16 countries across Africa, with a 26% active base. In 2014, more than US\$12 billion in transactions were undertaken, attesting to the vital role we play in the daily lives of our customers.

In Benin, MTN Mobile Money was used to process payments of US\$180 000 to 5 500 doctors, nurses, educators and community aid workers scattered across the country, enabling access to medication for neglected tropical diseases. In Côte d'Ivoire, customers pay for their road toll fees and online purchases using MTN Mobile Money. The service is also used by customers to settle water utility bills in Rwanda, Uganda and Swaziland. In Zambia, companies are processing bulk payments such as salaries directly into the accounts of registered Mobile Money users. In Uganda over 20 000 MTN Mobile Money transactions were completed in less than eight months following the launch of affordable solar-powered charging solutions. In Rwanda and Uganda, traders and fishermen in remote areas accept MTN Mobile Money payments. Customers in Ghana, Nigeria and Rwanda now have the ability to draw money from ATMs using MTN Mobile Money services instead of ATM cards, and transfer money between MTN Mobile Money and bank accounts. In Nigeria, MTN and Diamond Bank also allow customers to access loans through their Diamond Y'ello Accounts. MTN has partnered with the Ministry for Gender, Children and Social Protection in Ghana to disburse funds to beneficiaries. We have previously worked with the World Food Programme in Côte d'Ivoire on a similar initiative, benefiting over 54 000 people. In South Africa, regulatory approval for MTN Mobile Money to operate as a fully accessible bank account on a mobile device with increased daily limits and functionality was received. Our Mobile Money wallet is as versatile as traditional wallets, enabling our customers to top up their airtime, buy micro and life insurances, pay school fees and television service subscriptions, buy prepaid electricity and airline tickets, make bank deposits, earn loyalty points for payments for fuel purchases, transfer money to families and friends and businesses requiring payment for goods and services. Combined wallet and charging solutions allow our customers to initiate loan requests and receive money from a range of access channels, creating complete solutions for our customers' mCommerce needs.

As MTN Mobile Money is an application registered to the user's SIM card, it is independent of the type of handset used, and therefore does not require users to invest in smartphones. It reduces cash holding and theft risks. MTN Mobile Money can be transferred to beneficiaries who may not be MTN customers, or require cellphones to receive transfers. MTN Mobile Money creates income and is a source of employment of thousands of emerging or micro enterprises and agents, dealers and resellers that register users for MTN Mobile Money, educate customers, and earn commission on Mobile Money transactions.

## *Sustainable* economic value *continued*

### *Enabling digital inclusion* *continued*

MTN's partnerships with Western Union and WorldRemit enable affordable cross-border financial transfers.

MTN has entered into partnerships and rolled out innovative services to enable customers to save money in interest-bearing mobile wallets, direct customers to Mobile Money points of sale via Google Maps (Uganda and Cameroon), distribute social benefits and assist with the collection of revenues for government ministries and other organisations. Working with e-commerce partners, we have enabled the use of Mobile Money payments for online purchases, further helping our customers to simplify their financial transactions and improve their personal circumstances.

Africa has been identified several times as the continent with the most expensive international remittance services in the world, at the expense of the population with generally low incomes, and among them, bank services penetration remains low. To support family commitments, we have developed international remittance services based on the MTN Mobile Money wallet in 2013. Our customers can receive inbound remittances from Europe or the United States, and can also use their wallets to send and receive international remittances with neighbouring countries in Africa. We currently offer inbound remittance services from Europe and the US in six areas, and aim to triple this by the end of 2015. For remittances within Africa, we have launched three corridors, and a bilateral arrangement between MTN Ivory Coast and MTN Benin, and from MTN Ivory Coast to Airtel Burkina Faso. With remittances of more than US\$2,5 million each month, and the excellent feedback from customers such as farmers in Ivory Coast who are able to send money back to family in Burkina Faso, for instance, we are confident that we are helping people meet their daily challenges. We are planning to launch at least 10 more Mobile Money remittance corridors in Africa in 2015.

#### **mHealth**

Concerns around the reliability of online information, and affordability and access to medical services informed our decision to offer access to health-related information and services on handsets (and tablets and other digital devices) in Afghanistan, Cameroon, Ghana, Rwanda, Uganda, South Africa, Yemen and Zambia. Mobile Health (mHealth) enables a range of digital advisory and support services by

qualified professionals, helping reduce risks associated with users who may merely access search engines to draw information from millions of sources and make their own medical conclusions.

MTN's Tele-Doctor and Hello Doctor services offer health tips and advice on health, lifestyle and chronic conditions. The services were launched to save people time and money, and remove some of the doctor-patient barriers that exist due to cultural and gender barriers, language, education, mobility and physical access constraints. Medical practitioners can advise patients on specific medical issues or advise them to seek direct assistance. For example, we recently partnered with the GSMA cross-ecosystem in support of a proof of concept programme aimed at addressing maternal and child health and nutrition needs in sub-Saharan Africa. Local healthcare workers will obtain vital information from registered participants, who will receive nutrition and healthcare support via their handsets at no cost. Text-based messages will be localised and available in the patient's language of choice.

In response to a concern by the Zambian Medical Association on the importance of doctor-patient physical contact and the potential replacement of this contact by Hello Doctor, we engaged with the president of the association to confirm the nature of Hello Doctor as a platform for customers to obtain relevant, personal health information and guidance written and vetted by qualified doctors. We confirmed the importance of physical contact between doctors and patients and provided the assurance that we have not offered Hello Doctor as a means of replacing this contact.

In Yemen, our partnership with Harvard Medical School and Mayo Clinic Services has enabled over 10 000 people to access information and services to manage health conditions and lifestyle risks such as cardiovascular disease, diabetes, and weight and fitness management.

mHealth has the potential to radically change how people can access medical services. For instance, our philanthropic partnership with the Clinton Foundation will enable HIV/Aids testing centres across Cameroon to undertake diagnosis of newborn babies, using an SMS printer system

## **Enabling digital inclusion** *continued*

to enable prompt transmission and printing of test results undertaken by two specialised laboratories. This will enable rapid initiation of treatment for affected newborns. Innovations in mHealth applications are likely to face regulatory, awareness and educational and trust challenges to potential healthcare management solutions enabled by mobile technology. Some of these reasons are a contributing factor to the relatively low take-up rate in some of our markets, e.g. approximately 7 000 healthy living tips have been dispensed since the launch of Hello Doctor. We believe in the potential of mobile technology to improve access to personalised health management services, often at lower or no cost, and in an innovative manner.

### **mEducation**

Education is a basic human right. The countries in which we operate are largely characterised by poor infrastructure, inadequate skills levels of educators, physical access constraints and widespread difficulty in paying for study material and school fees.

Digital solutions play a key role in improving access to education, knowledge sharing and skills development in the countries where we operate. In 2014, MTN Rwanda's cloud computing and virtual training solutions for universities was launched for professors and students to access digital content. We also partnered with the Wikimedia Foundation to provide unlimited Wikipedia access, free of any data charges for all MTN customers. Ketabkan, our e-book reader in Iran, was rolled out in late 2014. Subscribers can access hundreds of text and audio books, from religion to health, psychology, ethics, sports and other subjects, via their mobile phones. The MTN mAcademy in Nigeria launched a mobile learning platform with over 300 training courses and education content for all ages, professions and people interested in the ICT and banking sectors. The platform is endorsed by Open University and a number of other institutions. In South Africa we are piloting a free tertiary education for our customers in partnership with Regenesys Business School. Business education content is freely accessible on smartphones, tablets and computers, and students are only expected to pay examination fees. Currently, over 300 students are registered.

### **mInsurance**

In developing markets, many people experience proportionately greater financial and personal losses due to health, accident and other risks, as a result of their economic circumstances. Affordable micro-insurance provides a safety net to help people recover from these events more easily. We offer a number of mobile micro-insurance products in some of our markets. For example, in 2014, MTN Nigeria and the National Health Insurance Scheme began working together to reduce exclusion and social disparities in accessing healthcare. Avoiding the need for large upfront medical payments and organising service delivery through mobile handsets, patients can now undertake an unlimited number of visits to hospitals, access basic in-patient, out-patient, minor and primary surgeries and treatments. Consultations, tests, etc. are free, and patients are only required to pay 10% of the cost of medication prescribed. Patients can choose their own health maintenance organisation and healthcare provider from over 6 000 registered partners across Nigeria, paid for on a daily, weekly or monthly prepaid subscription basis. This service complements MTN Nigeria's Y'ello Life insurance for affordable cover for death, permanent disability and accidental medical costs, launched 2013.

Also in 2014, MTN Benin entered into a partnership with the Nigeria Sovereign Investment Authority to provide micro-insurance for the motorcycle taxi drivers at risk of failing to continue business operations in the event of an accident. Drivers subscribe to this service and pay for their insurance premiums using their MTN Mobile Money accounts. This enables them to claim and undertake repairs in the event of an accident, enabling them to resume business operations with the least amount of disruption and lost time.

In early 2015, MTN Nigeria's Y'ello Biz for affordable and easily accessible small business insurance protection in the event of flood, fire and other frequently occurring business hazards, was launched.

### **Affordable handsets and tablets**

As part of our vision to close the digital divide, we have made steady progress on our low-cost device strategy. In 2014, we distributed 1,9 million cellphones and tablets costing between US\$15 and US\$50 (a 58% increase in the number of devices made available to customers in 2013).

## *Sustainable* economic value *continued*

### *Enabling digital inclusion* *continued*

Demand exceeded supply of our US\$45 MTN Steppa smartphone in South Africa in 2013, confirming the high demand for smart handsets that bridge the digital divide. As a result, we launched the MTN Steppa 2 smartphone and an US\$85 MTN Steppa tablet in late 2014. In less than three months, over 31 000 customers bought these devices, improving their ability to access internet services more affordably. In Guinea-Conakry, our US\$15 ITEL 2060 smartphone with two MTN SIM cards preloaded with US\$0,56 airtime was well received by our customers. This is building on our strategy to enable low-income customers to access data services such as internet, email, social media and value-added services. Affordable handsets are now available in 12 countries.

We are exploring how to make social media accessible and affordable to non-smartphone users as part of our ongoing commitment to bridging the digital divide.

#### **mWeather and agriculture**

In 2014, our partnership with Ignitia Ghana Limited allowed us to introduce the world's ISKA Weather, a tropical weather forecast system which is so extensively customised and specific to locations that neighbouring farmers may receive different forecasts as a result of geographical differences. This enables farmers to make informed decisions when carrying out weather-dependent activities such as planting, fertilising, chemical spraying and harvesting.

ISKA Weather is also available to any business or member of the general public needing highly accurate weather information to improve planning for daily activities and events. ISKA Weather is one way in which MTN supports local agricultural development using ICT solutions to

address fundamental information needs. The ISKA is an extension to the Farm Direct, an agricultural extension service offering advice and information to farmers via a private portal, which was also launched in Ghana in 2014. Farmers can use standard handsets, but using smartphones gives them access to additional services such to measure agricultural field agent productivity, report diseases and more. MTN Ghana supports this platform and the objective of the programme to boost agricultural productivity by offering access to users at a discount rate of over 60%, allowing farmers to interact more effectively among themselves.

ISKA Weather has an accuracy rate of up to 84%, compared with an average of about 40% for other weather services in West Africa.

#### **Connecting refugees**

MTN Liberia's partnership with the United Nations High Commission for Refugees and the governments of Liberia and Ivory Coast last year resulted in the extension of communication services to over 15 300 Ivorian refugees based in a camp in Liberia. Prior to this service, it was difficult or almost impossible for refugees to contact their families outside the camp. Now, in addition to helping connect families and friends, the service allows health personnel and police officers based at the camp to communicate with their colleagues in other areas, obtain assistance and support, enhance protection and security and improve service delivery in the camp. This service is more than a lifeline of digital connections, as it has connected two nations, and contributes to the sustainability of peace in the sub-region. This solution complements our work with Ericsson and Refugees United in Rwanda, where we offer services to enable people displaced by civil uprising to reconnect with each other through SMS and network sites.

# **Sustainable** economic value *continued*

## **Enabling digital inclusion** *continued*

### **Accessing government, employment, legal and other socio-economic services**

Digital access to services can help break down gender, language, economic, security, travel and cultural barriers. In Afghanistan, MTN Mushwara is a bouquet of services enabling people to access legal and religious advice and medical services in local languages. The service is available from professionals of the same gender as the customer. In 2014, MTN Mushwara was extended to offer Tele-Education, a service enabling people to learn English on call. We also plan to offer Tele-Beautician, Tele-Business Directory, and Tele-Tourism and travel services.

MTN's YemenCall solution with Smartlink and MIT connects customers with employment agencies and recruiters for positions available both within Yemen and the broader Gulf region. Approximately 60 job-seekers have been recruited through this service. MTN Yemen's Link In-Time and Z-Link Education programme has enabled more than 300 students to connect with English, mathematics, science and chemistry subject matter experts to improve their proficiency as they prepare for examinations. In order to improve services, reduce costs and help customers reduce challenges in accessing legal and other governmental services, an SMS-based service enables customers to determine the status of their cases and activities or queries in progress at the Yemen Supreme Court, Ministry of Finance and Ministry of Civil Services. A government services directory is now also available.

In Swaziland, in collaboration with the United Nations Children's Education Fund (UNICEF) and the National Emergency Response Council on HIV/Aids (NERCHA), we offer an SMS-based platform for youth, parents and community leaders to report gaps in service delivery, ensuring responses and actions by government agencies and development partners on HIV/Aids. U-Report is the tool used to plan issue management locally and conduct real-monitoring of programmes. Twenty young people were trained as the first U-Report ambassadors.

### **Socio-economic inclusion, small business growth and political participation**

In South Sudan, a new type of micro-enterprise service to promote women in small businesses is emerging. More than 50 Tea Serving Shelters, almost exclusively started and run by women, have been established by the Salam Women Group. The women distribute MTN products as a

side business, in support of the UN Convention of Women's Rights programme which was ratified by South Sudan.

In Nigeria, MTN's BetterMe campaign was launched to educate and engage voters about the 2015 elections, candidates' policies and manifestos. This campaign is part of the "My 2015 BetterMe" app, a secure and widely accessible mobile platform which aims to support the innovation drive of the youth, and exposes Nigerians to the full potential of the internet and digital products and services which can enhance their lives.

To improve regional connectivity and telecommunication affordability, MTN Uganda became a network partner in the East Africa One Network Area agreement in 2014. People in Uganda, Kenya, Rwanda and South Sudan can now communicate at more affordable roaming rates.

**MTN Iran's Family Finder enables family members to locate one another, and is especially helpful in locating elderly people and children at anytime, anywhere.**

## *Sustainable* economic value *continued*

### *Enabling digital inclusion* *continued*

MTN's long-standing relationship with Google and the Grameen Foundation ensures that fishermen and marketplace traders receive the best possible prices for their products, using GSM SMS and Gmail linked services across all types of mobile devices, irrespective of models, enabling the convenience of longer trading hours and access to a wider customer base.

Solar-powered tricycles were launched by MTN Ghana in 2013, in support of the need for physically disabled people to develop their own businesses. More than 150 entrepreneurs offer SIM cards and airtime for sale, fulfil MTN Mobile Money transactions, register MTN customers, and offer the public solar-power charging solutions for their handsets.



Case study on [www.mtn.com/sustainability](http://www.mtn.com/sustainability)



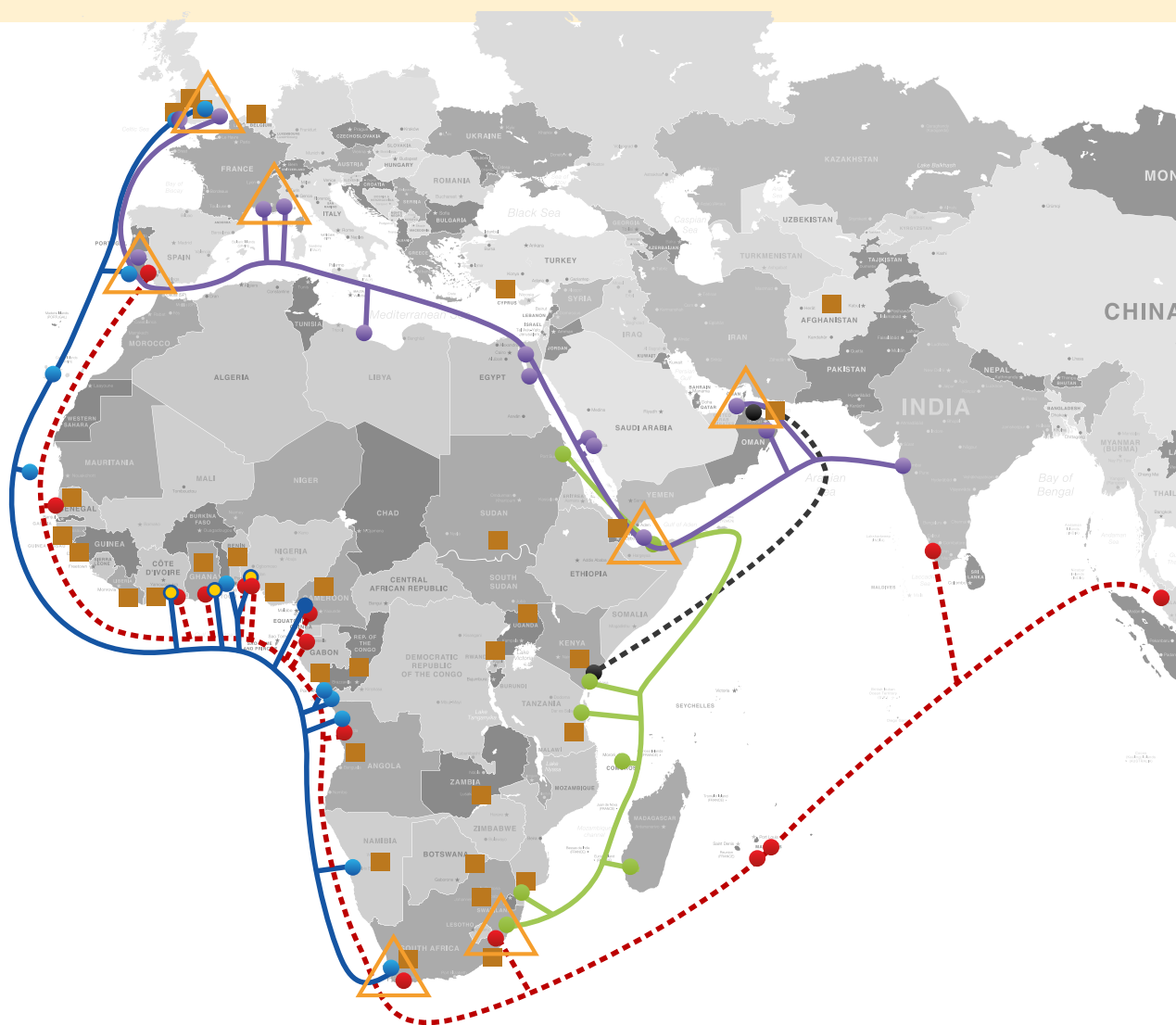
MTN Uganda and MTN Rwanda, and our business partner, Fenix International, were awarded the 2014 Sustainable Business Trade and Services category award for our ReadyPay solar-powered charging and lighting solution. The ReadyPay solution charged mobile handsets more than 800 000 times, enabled around 20 000 MTN Mobile Money transactions, provided lighting for over 18 600 students and generated additional revenues of up to US\$45 to small businesses and dealers offering ReadyPay services.

# Sustainable economic value *continued*

## Enabling digital inclusion *continued*

### MTN's Y'ello Fibre Ring

Since 2008, we have installed over 25,84 terabytes per second (Tbps) of fibre-optic cables connecting Africa, Europe, the Americas, the Middle East and Asia. Recently, the deployment of MTN.net, with 40 Internet Protocol/Multi-Protocol Label Switching points of presence (POPs) in 27 countries, has helped us further expand our presence and enhance our offerings. In addition to the elimination of latency on long routes, reduced operating costs and improved customer experience, our investments are fundamental to helping us realise our vision of accessible and affordable internet connectivity for all. We are actively focused on ensuring we offer quality services to our customers (see [IR](#) for network quality of service indicators subject to external assurance in 2014).



#### MTN's cable investments

- WACS: West Africa Cable System 12Tbps
- EASSy: East African Main System 10Tbps
- EIG: Europe India Gateway 3,84Tbps
- SAT-3/SAFE: South Atlantic 3 South Africa
- TEAMS: The East Africa Submarine System 1,2Tbps

#### MTN landing and interconnection points

- MTN-owned and operated landing station
- △ Interconnect Point at which MTN switches or reroutes traffic between cable systems

#### MTN international IP/MPLS POP

London (Sovereign House, Telehouse, Global Switch), Amsterdam, Senegal, Guinea-Bissau, Guinea-Conakry, Liberia, Côte d'Ivoire, Ghana, Benin, Nigeria, Cameroon, Congo (Pointe Noire, Brazzaville), Angola, Namibia, Botswana, Zambia, South Africa (Cape Town, Johannesburg, Mtunzini), Mozambique, Tanzania, Kenya, Rwanda, Uganda, South Sudan, Djibouti, UAE, Afghanistan, and Cyprus

## Enterprise services

MTN's enterprise offering is significant in driving the next phase of growth for the Company. As the traditional telecoms business evolves, enterprise business services are increasingly becoming a key source of future revenues for the Group.

Enterprise services are thus key to the sustainability of our business. At the same time, we recognise that by extending our technology, whether it is cloud services, connectivity solutions such as our Global MPLS (Multi-Protocol Label Switching) network or other business software applications, we also have the opportunity to help other businesses make a sustainable impact in the lives of people in emerging markets.

To this end, MTN's Enterprise Business Unit aims to inspire and enable the growth of businesses in our markets by focusing on the following areas:

- Economic inclusion and catering to the underserved,
- Aiding and enabling companies that are looking to expand geographically, and
- Enabling the public sector to extend its reach and connect to citizens.

In order for MTN to adequately fulfil this ambition, it is imperative that we are able to offer enterprise customers relevant ICT and connectivity solutions which directly address the challenges they face.

In this regard, we have made extensive investments in fibre-optic infrastructure and our Global MPLS connectivity solution has points of presence (POPs) in 27 countries, connecting major cities across Africa and the rest of the world. MPLS enables customers to prioritise traffic on an application by application basis. Customers are able to rank

their connectivity needs between voice and data, as and when required and can also combine different types of data onto a single network. The network also enables various business applications, including telepresence, video and audio conferencing, file sharing and data hosting.

Offering these services enables us to migrate from merely providing mobile connectivity, to being a value-adding partner to businesses.

### Cloud computing

Our Cloud computing solutions are simplifying the way in which our customers run their businesses, by enabling them to access their software and data from anywhere at any time. Our wide range of hosted and fully managed cloud-based products and services are designed to offer customers greater control and convenience while reducing operating and infrastructure expenses. The data generated by customers is stored in a secure environment and can be accessed whenever the customer needs it.

We enable small and large enterprises in 10 countries (up from eight in 2013), across a number of industries, to access communication and collaboration services such as email, web-based security solutions, and accounting and customer relationship management solutions, among others. Our customers can elect to pay for MTN Cloud Services using MTN Mobile Money, and in some countries, they may use the services for free on a trial basis of one to two months.

Retail subscribers in SA can now also enjoy the benefits of cloud services. We recently launched MTN Cloud for the general public, providing secure and unlimited storage capacity. This solution also offers our customers the ability to

To address the problems faced by enterprises in emerging markets, namely the high cost of bandwidth and latency issues, we partnered with leading global technology provider Amazon Web Services (AWS) to offer AWS Direct Connect to our customers. MTN was the first African company to offer the service across multiple countries on the continent. AWS Direct Connect will leverage the extensive footprint of MTN's Global MPLS network, to provide customers with connectivity between their data centres or businesses and the AWS data centres in Ireland, ensuring reduced network costs and enhanced speed as well as network consistency and reliability.



synchronise all digital devices, and to seamlessly access and share all types of files such as photos and videos, and is available by accessing our mobile cloud application from anywhere in the world.

### **Machine-to-machine and SMART solutions**

Machine-to-machine (M2M) is a broad label used to describe technology that enables networked devices to exchange information and perform actions without the manual assistance of people. MTN's M2M solutions are helping businesses in South Africa, Nigeria and Uganda to increase productivity, efficiency and sustainability, mitigate downtime and repairs to equipment or assets, and control costs.

MTN's M2M offering includes fleet management, fuel management, utilities management, smart home services and security solutions. Sensors in fuel tanks of large vehicles which can inform central transport services on fuel usage, enabling computers or people to optimise costs and plan routes more effectively, or wireless chips embedded in home systems which allow people to remotely manage their energy, lighting and security needs through mobile applications, are some of the realities enabled by smart, connected devices.

M2M changes how products, businesses, homes and services operate, enabling optimisation of resources and costs and automation of functions, and can provide new insights to improve decision-making.

We had previously planned to launch a number of services in the fleet and utility management, and residential and business remote alarm monitoring, security and surveillance service sectors in 2014, but we decided that further concept testing was necessary to improve the robustness of the solutions we offer. We are ready to launch these solutions in 2015.

Through our MPLS connectivity solution, supported by a global SIM number, which can operate across international boundaries, businesses with global operations can now connect directly with their branches, using networked configurations, rather than single or dedicated direct communication channels. This means that our customers pay the lowest possible rates, since they do not have to pay roaming rates for international communication with their operations. To offer our customers these solutions at the same affordable rates or at predetermined fixed rates in markets where MTN does not have presence, we have entered into agreements with operators such as Telefonica and AT&T. This will ensure customers enjoy improved levels of service, and can manage their costs and improve their financial planning processes by eliminating uncertainties related to variable roaming charges.



MTN Group Carbon Disclosure Project reports.



## 03 **ECO-RESPONSIBILITY**

# Eco-responsibility

**By supporting the global imperative for valuing the environment through prudent use of resources, we hope to improve our own resilience and mitigate our impact on the environment.**

We have long maintained the economic and societal necessity for the reduction of our environmental impact in the countries in which we operate, which are among the most environmentally vulnerable parts of the world, and largely with the fewest economic resources to cope with the effects of climate change.

**Newsweek**  **GREEN RANKINGS**

## ***Performance in brief***

**29 034tCO<sub>2</sub>e** *avoided/reduced*

**9 414MW electricity** and **1 651kℓ diesel** *saved*

**205 solar** and solar-hybrid sites

**326 tonnes** of e-waste handed to SME *recyclers*

**Four MTN operations** commenced phase 1 of *Green Office*

## Environmental management

Our most material areas of environmental impact are the installation, operation, maintenance and decommissioning of infrastructure related to network operations and associated facilities, the use of energy to power operations, the impact of electromagnetic fields on human and environmental conditions, and the safe management and disposal of end-of-life electrical and electronic network and technology equipment, which ranges from radio transmission equipment and batteries to computers and cellular handsets, among others. Office-based operations consume resources and generate waste from sources such as paper, water and energy.

### Infrastructure environmental management

Environmentally responsible management of our network infrastructure, associated facilities and buildings is addressed through ensuring compliance with local regulations and submissions of the results of environmental impact assessments and environmental management plans.

In addition to regulatory compliance, precautionary environmental principles such as taking care not to unnecessarily degrade the environment or items of a historical nature and addressing water flow and drainage requirements to protect surrounding environments and other similar considerations, are incorporated into implementation plans. Our base transceiver station site build toolkit takes into account impact management processes to be followed during the various phases of construction and maintenance of network sites to ensure minimal impact on the environment. Network sites are required to be maintained in an aesthetically pleasing, environmentally and community-friendly manner.

Compliance to environmental test criteria for telecommunication equipment, as set out in standards such as ETSI 300-019-2, are also expected of our suppliers.



[https://www.mtn.com/Sustainability/Documents/Networks\\_and\\_Environment\\_2013.pdf](https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2013.pdf)

### EMF

We comply with the International Commission on Non-ionising Radiation Protection (ICNIRP) and World Health Organisation standards, and the Institute of Electrical and Electronics (IEEE) and European Union standards with respect to the radio frequency impact of telecommunication equipment. In countries where we distribute handsets directly, vendors are required to provide compliance certification for local regulatory approval prior to handsets being available for sale.



[https://www.mtn.com/Sustainability/Documents/Mobile\\_and\\_Health\\_2013.pdf](https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf)

### Environmental management standards

MTN South Africa has been an ISO 14001 certified operation for a number of years, in addition to achieving silver status on the Leadership in Energy and Environmental Design (LEED) programme for head office premises in 2012. MTN Cyprus and MTN Nigeria are currently developing their EMS systems in preparation for ISO 14001 certification.

### Employee awareness

Although many of MTN's operations already undertook various forms of resource conservation programmes, a Group-wide initiative – the MTN Green Office programme – was developed and launched in 2014, to support our drive for operational efficiencies and to engage employees on the importance of environmental matters. Employees are being encouraged to support proposals and solutions to make more efficient use of resources such as electricity, water, printing paper and toner, reduce waste outputs, engage suppliers and event organisers on responsible environmental practices, improve their travel planning to reduce emissions from transport, and generally conserve resources. We have also included advice on behavioural changes which employees can make in their home environments. The Green Office programme will be implemented in phases across operations, and we will report on initial results in 2016.

## **Eco-responsibility** *continued*

### **Environmental management** *continued*

We developed a short video for internal education and awareness on all aspects of economic, environmental and societal sustainability matters called "MTN Sustainability: The Future Crafted Now", to be used to improve awareness about what sustainability means for MTN, at all organisational and operational levels of MTN. In some operations, this video is also played at MTN stores, to create and improve public awareness. The video is available in English, French and Arabic, and will also be made available in Portuguese in 2015.

We also take advantage of the internationally designated environmental theme days such as Earth Hour and World Environment Day, or national environmental theme days such as Arbour Day to remind employees about matters of environmental conservation and responsibilities, and offer practical solutions which they may implement in the workplace, and in their personal lives.

## Energy and climate

### Governance and strategy

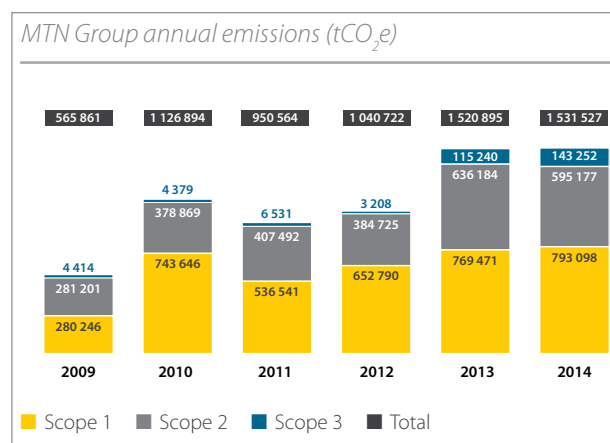
Our reliance on energy to power network and data centre operations is the largest contributor to the Group's greenhouse gas emissions. We therefore actively focus on improving the efficiencies we extract from the use of electricity and diesel, and we continually invest in alternative and less carbon-intensive forms of energy to power our operations, improve our resilience and ultimately reduce our impact on the environment.

Energy costs, consumption, risks and carbon intensity in terms of the Carbon Disclosure Project are monitored by many of the 53 trained energy and carbon champions across our operations. Each MTN country of operation maintains their own energy management strategy or practice, in line with business performance and operational efficiency management requirements. This approach enables each country's operation to actively manage and monitor its energy use mix, costs, configuration of efficiency and reduction solutions, and other requirements within local operating and environmental contexts. Our energy and carbon champions are mostly positioned in technical functions, and are supported by finance, facilities, business risk management and corporate services team members.

Quarterly reports are submitted by 22 MTN operations (see "about this report" for a list of the operations in scope), and we hope to incorporate one more operation (MTN South Sudan) in 2015. We also actively engage with our tower management partners in Ghana, Uganda, Cameroon, Côte d'Ivoire, Rwanda and Zambia. Energy consumption and efficiency reports from our operations and tower management companies are consolidated for analysis by the Group, and performance is presented in sustainability reports to the executive and Group social and ethics committee, which oversees the Group's sustainability performance. Operations receive detailed feedback of performance results in order to implement required improvements, review opportunities on projects undertaken by other operations.

### 2014 energy and carbon results

In 2014, we consumed 14 962 290GJ of energy predominantly from grid power, diesel and petrol. Our carbon footprint was 1 531 527 tonnes of CO<sub>2</sub>e (up 0,7% from 2013). Our GHG intensity per subscriber was 0,007 tonnes (2013: 0,007). The increase in reported emissions is attributed to improved comprehensiveness and quality of data monitoring, reporting and analysis, and the inclusion of data from additional outsourced network operations.



Our energy efficient and alternative energy investments over time have resulted in a reduction and avoidance of 29 034 tCO<sub>2</sub>e in 2014, and 2 846 kℓ and 25 555 MWh of electricity (220 838 GJ in total). This is the amount of greenhouse gases our operations would have generated and the amount of energy we would have consumed in 2014 had we not made these investments. This is equivalent to the annual diesel consumption of 3 249 cars and the annual electricity consumption of 6 268 homes (based on the average consumption in South Africa). We saved over R49,6 million in energy costs over the year.

Our 2014 CDP report will be published on our website at the end of May 2015.

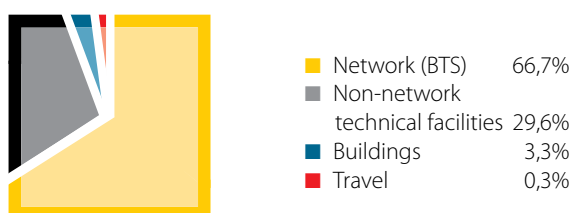


## Energy and climate *continued*

### Greenhouse gas profile, focus areas and changing scopes

The largest contributor to the Group's energy costs and use, and greenhouse gas profile, remains our network sites (48 693 owned and outsourced sites) and non-network technical facilities such as switches and data centres.

GHG emissions per source (%)



We therefore focus the majority of our energy efficiency efforts on technical facilities and the larger non-technical buildings.

As we implement our strategy to outsource network sites to tower management companies, the profile of our reported emissions continues to shift from Scope 1 (and to a lesser extent Scope 2), to Scope 3. Engagement with our tower management partners on their efforts to reduce relative energy consumption, improve efficiencies and invest in alternative energy solutions is therefore important to us. Our partners respond positively to these discussions.

### Risks, mitigation and opportunities

Our top energy-related risks are increasing energy costs (although some reduction was noted due to a reduction in the global price of oil in 2014) and energy access, security and reliability. We also expect that carbon budgets and taxes may be regulated in South Africa, starting in 2016, and we are uncertain about similar regulatory developments in other countries in which we operate. We also monitor the risk and impact of extreme weather events on our infrastructure and business continuity.

To manage the increasing cost of energy, improve our energy security position, mitigate the future cost of carbon taxes, and reduce our contribution to greenhouse gas emissions, we invest extensively in energy efficiency and alternative energy solutions and are working towards reducing our dependence in diesel and grid power, as described in the investments section that follows.

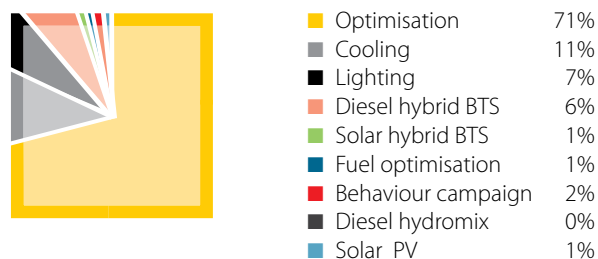
All operations maintain technical and disaster recovery plans. The Group's crisis management toolkit, updated in 2014, sets out the basic principles and frameworks to deal with abnormal or unstable situations which include the risk of extreme weather events that can disrupt critical, technical and other infrastructure.

The global e-sustainability initiative has assessed that ICT-enabled solutions can help the world achieve carbon abatements in the region of 9,6GtCO<sub>2</sub>e (16,5% of global emissions) by 2020. Although our solutions in this domain are relatively small, opportunities are growing rapidly, and include cloud computing for virtualisation and other efficiencies, and machine-to-machine products to address risks of water leakage, reports on air quality composition for improvement efforts, and encouragement of energy-efficient driving by fleet drivers using our fleet management solution. Please see "enterprise services" in the sustainable economics section for more information on our products.

### Investments in energy efficiency and alternative energy sources

In 2014, we continued our focus on reducing relative energy consumption and moving to less carbon-intensive sources of energy, with new implementations at 10 266 sites.

2014 energy-efficient/alternative powered sites



We also implemented energy efficiency solutions at non-technical buildings and data centres, and reduced travel. In total, MTN avoided 29 034tCO<sub>2</sub>e relative to what we would have emitted had we not invested in the implementation of energy efficiency and alternative energy initiatives across our sites. Our total energy savings is 220 838 GJ, enough to power 761 network sites for a year.

## Energy and climate *continued*

2014 GJ from energy efficiency versus alternative energy projects



In total, we now operate 205 solar and solar-hybrid sites. A number of our efficiency and green power solutions have been innovative in design, output efficiency or carbon emission avoidance and reduction impact (including certified emission reduction (CER) operations), and we have historically reported on some of these results, for example our tri-generation test switch and data centre, a UN CER project launched in 2010 is currently being replicated at two other premises in South Africa. 🏠

In 2014, also in South Africa, we implemented Africa's first concentrating solar power (CSP) for cooling data centres. With a peak cooling capacity of 330kW, pressurised hot water of 180° C, powers an absorption chiller which produces chilled water for IT equipment cooling. In Afghanistan, the use of a solution enabling a mixture of hydrogen and distilled water resulted in diesel

consumption efficiencies of between 15% and 23% at the 280 sites where implementation has been completed, and savings of up to 60kℓ diesel and approximately 15% reductions in Scope 1 emissions are expected. In Cyprus, a 5% reduction in data centre energy consumption was realised through replacement of air-conditioning units to newer class models with higher energy efficiency ratios. In Benin, 30% of network sites are currently connected to the grid while 29 sites operate using hybrid diesel technology and are therefore run independently from the grid. In Sudan, 59 sites are powered by solar and solar hybrid. In Iran, grid power has displaced the use of diesel at 20 sites.

Power optimisation options across our operations include dynamic shutdowns during idle time, lighting motion sensors, use of LED lighting and optimisation of the heating, ventilation and air-conditioning (HVAC) systems. We also continue to switch contained or indoor network sites to outdoor sites where appropriate and reduce the number of generators deployed on outdoor sites. More information on some of these projects or other energy efficiency or alternative energy investments undertaken by a number of MTN countries are described in detailed case studies available on our website 🏠 🌐 or Carbon Disclosure Project reports. 📄 🏠

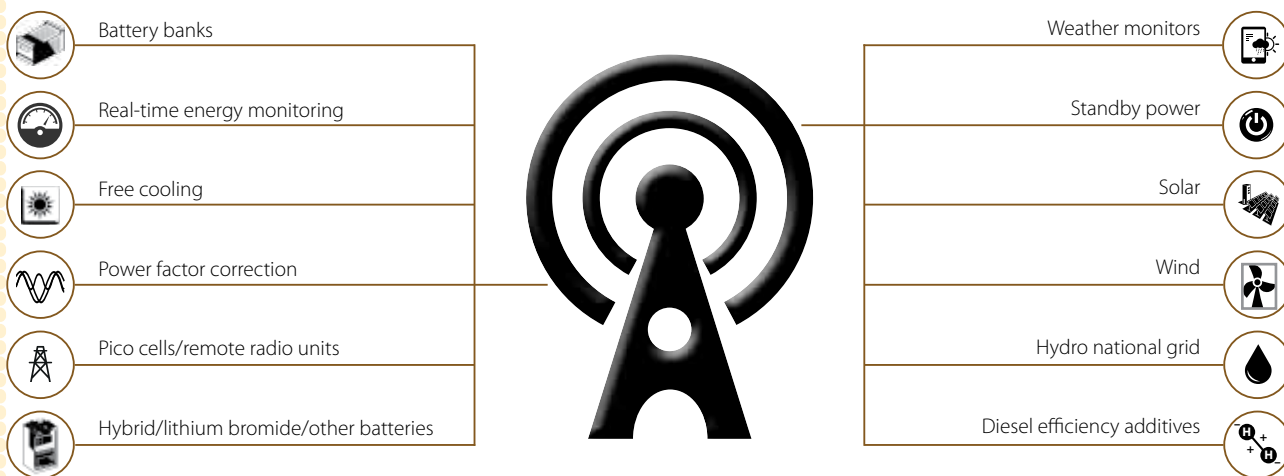


## Energy and climate *continued*

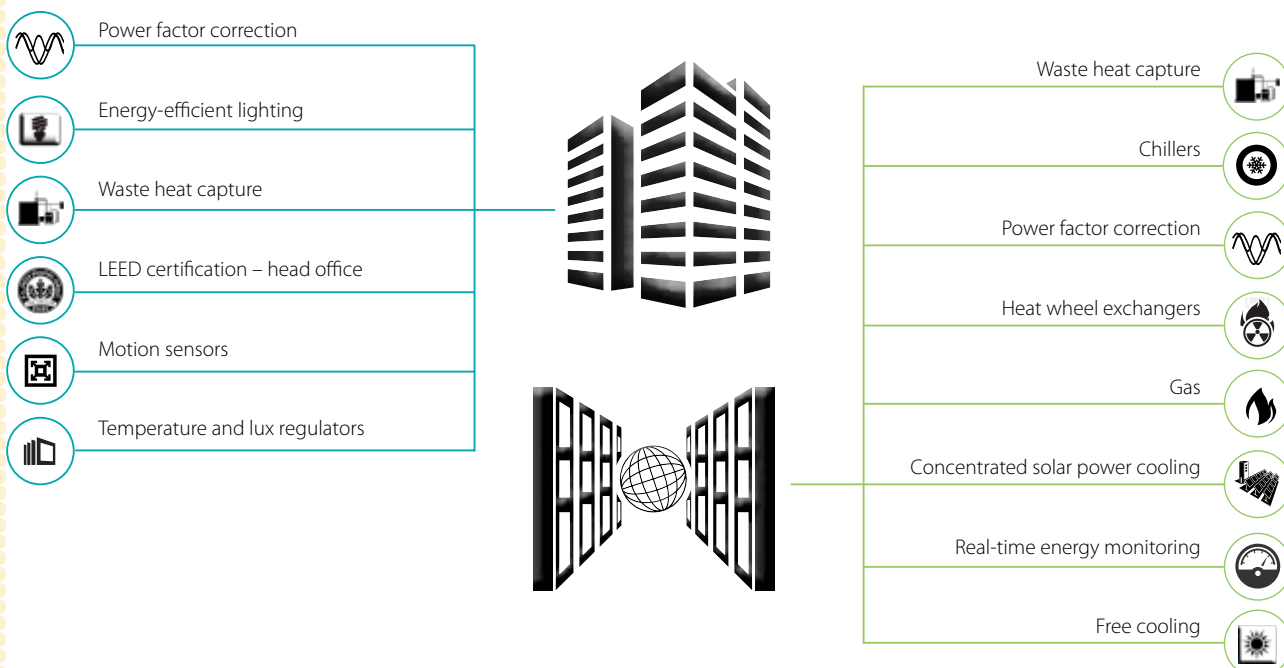
### Reducing greenhouse gas emissions

MTN's most material environmental impact occurs as a result of our reliance on energy to power our communication networks. We therefore actively focus on improving the efficiencies we extract from the use of energy, and we invest in alternative and less carbon-intensive forms of energy to power our operations, improve our resilience and ultimately reduce our impact on the environment and the communities in which we operate.

#### Network infrastructure



#### Buildings, switches and data centres



## **Eco-responsibility** *continued*

### **Energy and climate** *continued*

#### **Assurance**

In 2014, PwC undertook a limited assurance review on MTN Nigeria's energy data to ensure greater confidence in the reported energy and associated GHG emissions. MTN Nigeria was selected for assurance as it is the most material contributor to the Group's energy consumption and GHG profile. Audited results are presented in the sustainability value added statements and assurance statements (pages 52, 53 and inside back cover) in the Group's integrated report [IR](#).

The Group's internal assurance function has ensured that the 2015 annual audit plans for all operations also include a focus on sustainability. Over time, we will increase the number and type of MTN facilities and operations assured for energy and GHG performance. The nature of audits will vary based on network ownership considerations and the types of facilities which most materially contribute to the Group's climate impact.

## E-waste

Globally, over 50 million tonnes of electronic and electrical waste (e-waste) is generated annually, and this is set to grow as more digital devices are released. Africa is one of the world's largest net recipients of e-waste. Our concern for the environmental and health implications of a valuable but hazardous commodity saw us explore a number of solutions and partnership opportunities to create public awareness, improve recycling rates, and mitigate our impact.

Between 2011 and 2014, over R4,6 million was jointly invested by MTN South Africa and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on a programme to increase awareness about the issue of e-waste, through a pilot of small-scale solutions with e-waste handlers that operate in line with acceptable standards and protocols such as ISO 14001 and national environmental legislation.

After undertaking due diligence assessments of a number of potential e-waste handlers, primarily SME businesses, we were satisfied about the general handling processes, waste management capacities and environmental compliance status of four companies. Three SMEs and one large e-waste handler were officially contracted in early 2014 and all welcomed the offer of formal partnerships with MTN as it enabled contractual certainty and could help them improve business planning. Each handler secured a two-year contract with MTN, and following reviews at the end of this period, contracts may be extended.



[www.mtn.com/ecoresponsibility/pages/ewaste.asp](http://www.mtn.com/ecoresponsibility/pages/ewaste.asp)  
for MTN's e-waste guidebooks.

Eight e-waste collection points at MTN's high-volume repair centres countrywide are now set up to receive, manage and distribute e-waste to our handlers. In 2014, 326 tonnes of e-waste (down from 469 tonnes in 2013) was handed over. This included cellular and network e-waste (predominantly air-conditioning units, batteries and mixed-waste packages) and IT equipment at the end of useful life. A number of factors contributed to the drop in e-waste volumes available for processing and recycling.

These included a trend by customers to hold onto their old and unwanted handsets for longer periods, the fact that customers appear to be selecting the option to pay for cellular repairs rather than generally purchasing new handsets to replace old ones, and operational changes to improve business efficiencies within MTN SA resulted in a policy of repair rather than replacement of IT equipment where possible. Although these factors resulted in a more environmentally responsible outcome, the impact on the SMEs has been a reduction in the volume of e-waste available for value extraction.

The intention of the pilot project was to support operational implementation in South Africa, and learn for future rollout of e-waste management in other MTN countries of operation. Challenges encountered in this project include constraints on setting a pre-project baseline due to the nature of collection, storage, supplier take-back, equipment swap-out and existing e-waste handover processes at the start of the project, the varying legal, operational and administrative capacities of e-waste handlers, the broader status of e-waste legislation in South Africa, and the impact of asset depreciation policy amendments and operational changes within MTN South Africa's business, among others. However, we are pleased to report a full year of ongoing operational processes of e-waste management in South Africa, and the lessons we have learnt are valuable as we continue to assess the potential to extend our efforts in more MTN countries of operation. One such instance is in Benin, where, in early 2015, we partnered with Ericsson to champion public awareness and collection of e-waste for a limited duration.

E-waste management in Africa requires a long-term vision and commitment by a cross-section of stakeholders representing intermediary and downstream supply chain businesses, manufacturers, regulatory authorities, users and community partners.

Information guidebooks for best practices, environmental management compliance and responsible collection have been developed and are freely available to stakeholders in the e-waste supply chain, which also include municipal authorities, existing and new emerging waste management entrepreneurs, etc.

**\*ERRATA NOTE:** As of 2 June 2014, the figure of "half a tonne" reported in the report published on 28 March 2014 has been amended to 469 tonnes, following a recalculation of conversion rate used to calculate e-waste tonnage handed to recyclers in 2013.



## 04 SUSTAINABLE SOCIETIES

# Sustainable societies

**We will only succeed over the long term if we deliver societal value in a sustainable, ethical way.**

Sustainable businesses only succeed over the long term in healthy, thriving societies. As one of the largest mobile operators in our markets, we must contribute to ethical, well-governed, safe and healthy living and working environments for our employees, customers, communities and operations. This is how we continue to deliver value to our stakeholders in a sustainable, ethical way.



[www.mtn.com:ethics](http://www.mtn.com:ethics)



[www.mtn.com/socialresponsibility/pages/default.aspx](http://www.mtn.com/socialresponsibility/pages/default.aspx)



[www.mtn.com/sustainability](http://www.mtn.com/sustainability)

- Corporate social investment section online
- New ethics section online
- Integrated report for ethics report

## Performance in brief

**260** tip-offs to anonymous **whistle-blower line**

**5 767** suppliers received and accepted **anti-bribery and corruption** policy and **gifts** policies

**Five ethics officers certified**

**800 children** aged 7 to 15 reached through MTN Cyprus' partnership with local police and non-governmental organisation cyber ethics on **cyberbullying and internet safety** campaign

**R254,4 million** invested in employee **training** and development

**R282,5 million** invested in **education, health, economic empowerment** and **national priority** areas

**US\$10 million** donated to the African Union's **fight against Ebola**

## Anti-corruption

It is our policy to conduct all our business activities with honesty, integrity and to the highest ethical standards. Our zero-tolerance approach to fraud, bribery and corruption and gift acceptance was formalised in 2013, with the development of the Group anti-bribery and corruption policy, aligned to South African and global anti-corruption legislation (for example, the US Foreign Corrupt Practices Act and the UK Bribery Act) and the Group gift policy. In 2014, these policies were complemented by the development of the conflict of interest policy, requiring all employees and directors to declare actual or potential conflicts of interest. This process is managed through an online portal that records and authorises such declarations per employee. We also revised our whistle-blowing policy to ensure adequate protection is afforded to employees and external stakeholders.



[www.mtn.com/sustainability](http://www.mtn.com/sustainability)

- Anti-corruption
- Conflict of interest

Management of all social and ethics matters, including anti-corruption, is the accountability of the Group executive of chief human resources and corporate affairs officer, for whom performance metrics are set out in this respect. The Group social and ethics committee, chaired by a non-executive member of the Group board, governs the social performance of the Company and ensures that ethics are managed effectively



Social and ethics report

Management of bribery and corruption risks is also incorporated into the overall fraud risk management strategy and is actively monitored by all MTN operations. We also ensured that 91% (up from 86% in 2013) of operations are implemented in the Group's fraud risk management framework.

Mechanisms to support operational management of our zero-tolerance position include the availability of a Tip-Offs Anonymous whistle-blower line for employees and public use (managed by Deloitte), and ongoing mandatory employee training and declarations. In 2014, we received 260 whistle-blowing reports (2013: 687). The reason for the

decrease in the number of reported incidents is that we narrowed the definition of tip-offs to fraudulent activity only and redirected customer-specific complaints through to other channels focused on improving customer service and non-fraud-related issues.

In 2014, we launched Group-wide training on anti-corruption. This e-learning solution assists employees in identifying potential bribery and corruption risk scenarios, and provides them with assistance in making the correct decision or getting support should they need it. MTN's zero gift policy is managed through an online portal for employees, allowing for the recording and authorisation of all gifts provided to external stakeholders, and the declaration of any gifts received, to ensure compliance with the rules set out in the gifts policy. Additionally, all employees and directors are now required to submit an online declaration of their interests on an annual basis, even if they have nothing to declare. We now also have five ethics officers certified by the University of Stellenbosch's Business School.

Engaging with suppliers is a fundamental part of ethics management. We extended the communication of the gifts and hospitality and anti-bribery and corruption policies to the suppliers with whom we work on a regular basis. We intend to extend this communication to all suppliers to ensure that we curb potential unethical behaviour by employees and suppliers. Further, mandatory compliance to these policies is now standard within new contracts with suppliers and trade partners.

We believe that the management of ethical challenges is improved through collaborative sharing and learning. In 2014, we shared some of the processes and results of our anti-bribery and corruption programme to the UN Global Compact's Mainstreaming Integrity in Business Practice programme, managed by the National Business Initiative of South Africa. A detailed copy of the case study is available via [www.nbi.org.za/Publications/Reports](http://www.nbi.org.za/Publications/Reports). In 2015, we will also provide input to BMZ's (German Federal Ministry for Economic Co-operation and Development) Alliance for Integrity Initiative, implemented by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Centre for Cooperation with Private Sector).

During 2015, we will continue to maintain a firm focus on anti-bribery and corruption risk identification and process management, and to provide specific training targeted at higher-risk business areas and employees.

The Group's sourcing committee ensures that the sourcing process of high-value goods and services is commercially and legally sound and conducted in a fair, honest, transparent and equitable manner.

## ICT human rights

### Context

The innovation revolution in the information and communication technology (ICT) sector is helping break down social, economic and community barriers, and is a catalyst for positive socio-economic development. Specifically, the ICT revolution is increasing economic participation in the world's economy, fostering the growth of global communities, and enabling civil participation in societal, political and other decisions affecting people's daily lives. It therefore helps people realise many of their rights as set out in the United Nations' Universal Declaration of Human Rights.

ICT empowers, educates, is inclusive, and breaks down boundaries. Various stakeholders sometimes seek to limit these opportunities and use ICT as a tool to prevent people from enjoying their human rights. Since our business is to facilitate communication in the digital age, we are inevitably caught up in these global developments. MTN's diverse geographical, political, regulatory, socio-economic and cultural contexts add a significant degree of complexity to the provision of communication services. The rights or demands of different stakeholders regularly contradict each other. External developments often occur over that which MTN has little or no control. This poses operational and technical challenges to us as we try to balance different factors in making decisions.

Some of the issues we face include the reality that "analogue" laws do not currently serve the requirements of the digital world. Technology to access rich, deep communication data now exists worldwide. With a little effort, it is possible for anyone to determine how people live their lives if they access digital communication and activities like banking, online purchases, research, etc. Most laws were devised many years before e-mails, social media and electronic transactions via the internet were generally in existence or widely used. The lack of technical access, along with the low rate of digital data transmissions historically prevented or limited the ability of organised stakeholders to undertake electronic surveillance or impact people's rights as widely as it is currently possible. Mobile network operators, social media and internet service providers, and ICT companies generally are unable to drive changes to ensure more appropriate laws or regulations are enacted on their own. Improving the state of digital human rights requires the efforts of all stakeholders from all areas of society, including businesses and governments.

These challenges do not negate MTN's responsibilities: we maintain our position to respect ICT human rights in the course of our business operations, even where the scale

and complexity means that the practical ability to meet these responsibilities is affected by a number of factors over which we may have little or no control. It is in our interest to ensure affordable, reliable, accessible, trusted digital communication, and therefore we use our best efforts to safeguard the rights of our customers.

### Policy, governance, risk management and stakeholder engagement

We published our position on human rights in 2014. This follows the board's approval of the Group's policy on security and privacy human rights in the use of ICT. MTN's social and ethics committee, a sub-committee of the Group board, has ultimate oversight over ICT human rights matters for the Group. The policy was informed by articles set out in the United Nations' Universal Declaration of Human Rights, the United Nations' Protect, Respect and Remedy Framework, positions adopted by the GSMA and ITU in freedom of expression, privacy and security, and Access Now's Telco Action Plan as appropriate. This policy is complemented by the Group's information security policy and provision of communication-related information policy, both of which were also developed or updated in 2013.

### Key principles

- We believe in the rights of all people to freely communicate and share information, and to enjoy the right to privacy and security in their use of digital, telephonic and internet-based communications.
- While acting in accordance with prevailing laws and licence conditions, we will use our best endeavours and scope of influence to protect, respect and ensure that the rights of customers using our ICT solutions.
- We will take reasonable steps to maintain data transmission and storage confidentiality and security.
- We will only gather customer data for legitimate commercial businesses and as permitted by licensing and legal obligations.
- We actively engage with civil society organisations, business associations, investors and media keen to know how we are addressing these human rights, and some of their points of view help shape our human rights policy and business process improvements.

### **ICT human rights** *continued*

Country-specific and business continuity risks, management and compliance processes are addressed and managed through the Group's business risk management process, which includes a list of the Group's principle risks, a set of 23 risks of most relevance to MTN. These risks are reviewed, monitored and managed on an ongoing basis within all MTN countries of operation.

In some countries, the probability of human rights-related events may be higher than in others. The Group therefore ensures that the management team of each country maintains discretion on context-specific mitigation and management responses. In-country national emergency response teams or similar cross-functional teams comprising divisional heads and the CEO manage human rights matters and emergency situations, e.g. requests for service shutdowns. Operating protocols specific to the situation will immediately be initiated, e.g. requests for shutting down communication networks will require formal directives under law, or reference to specific licence conditions, as part of the review process undertaken by these teams. The country CEO will also alert designated Group executive committee members regarding emergency or crisis matters.

Stakeholders, including civil society organisations, media and investors, engage with MTN on an ongoing basis. Some engagements are reactive, and often in response to specific national or international incidents. Generally, we maintain ongoing discussions or channels of communication, especially with a number of organisations that maintain an interest in our overall progress on addressing freedom of expression, privacy and security.

#### **Toolkit**

Unpacking the highly complex, interconnected issues underpinning ICT freedom of expression, privacy and security in communication under a very fluid global operating context remains a challenge. While some progress has been made in standardising the various practices and processes relating to human rights management across our operations, the Group's human rights toolkit requires more work. Using a seven-step guideline based on the aspects of the European Commission ICT sector guide for implementation of UN Guiding Principles and the Access Now Telco Action Plan's 10 steps for respecting human rights as points of reference, we have prioritised the human rights due diligence and interception processes for further work in 2015.



### ***Employee health and safety***

Our relationship with the international SOS over the past four years has ensured that we can put the safety of our employees above everything else in times of crises. From telephonic assistance on medical information and security advice to medical and security evacuations, the MTN safe programme has enabled us to ensure the medical and security needs of our employees and their families facing life-threatening situations are rapidly met, whether they are working or travelling for personal reasons. Operational health and safety officers and committees manage workplace-related safety requirements and employee health-related education and awareness initiatives ranging from HIV/Aids and malaria to cancer, etc.

We are pleased to report that we experienced no deaths from workplace-related events over 2014 (2013: five). Workplace-related injuries declined by 70%, from 41 incidents in 2013 to 12 in 2014. The most serious of these injuries included a fractured ankle and injuries sustained in the course of vehicle accident.

In 2014, our employee health and safety efforts were tested in an unexpected manner as a result of the emergence of the Ebola pandemic primarily in two countries where we operate (Liberia and Guinea-Conakry), with risks posed to Nigeria, Ivory Coast and Guinea-Bissau (and essentially all countries due to the way in which the virus spreads). A Group Ebola executive crisis committee comprising the Group chief human resources and corporate affairs officer, the Group chief business risk officer and the Group chief operations executive was set up to oversee the initiative and to ensure appropriate responses. Operational Crisis Management teams comprising senior leadership and representatives from corporate services, human resources and business risk functions were also set up within countries. Local teams worked closely together with government, medical and other authorities to provide day-to-day tracking and management of initiatives within our operations. The central support and advice team provided weekly status updates and this proved to be a prudent way in actively managing the associated risks of the pandemic. As a result of our efforts, only one employee was diagnosed with the Ebola virus. The employee was treated at an Ebola treatment unit, and, after a full recovery, returned to work.





# 05 ANNUAL SUSTAINABILITY STATEMENTS

# Annual sustainability statements

## Standards and governance

We use local and global standards, protocols and guidelines to report how we are addressing our sustainable and responsible business performance.

We reference the following sustainability standards:

- King Code of Governance (King III)
- JSE Social Responsibility Index
- United Nations Global Reporting Initiative 
- Carbon Disclosure Project 
- United Nations Global Compact 
- International Integrated Reporting Council (IIRC) Six Capitals
- International Labour Organisation
- UN Protect, Respect and Remedy Framework for Business and Human Rights

The Group's business objectives, key performance indicators (KPIs) and targets are set out in the MTN Group integrated report for the year ended 31 December 2014, in the Group strategic analysis and outlook section.

The sustainability value added statement that follows indicates MTN's sustainability-related business performance in terms of these local and global standards, protocols and guidelines. This statement complements and extends the MTN Group value added statement reported in the MTN Group Limited integrated report for the year ended 31 December 2014.

We set out our performance in terms of material indicators that provide a clear, comprehensive and useful measure of our progress quantitatively. These indicators enable us to review our performance and inform current and future business planning.

We are making progress in presenting five-year rolling data of quantitative performance. We amend the scope of quantitative KPIs that are reported and assured each year to reflect our performance against the latest material sustainable business issues where required. In some instances, we assure performance for MTN's largest operations only, or the total operations that materially affect the Group.

### Governance of sustainability

The MTN Group board dedicates standing agenda attention to sustainability considerations, risks, opportunities, stakeholder relations, innovation and creation of stakeholder value within the business' operating context. The board has delegated responsibility for the Group's environmental, social and economic development performance to the Group social and ethics committee, and this responsibility is formally incorporated in the committee's terms of reference. The governance structure is available at <https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/SustainabilityGovernanceDiagram.aspx>

Quarterly reports to the committee ensure that the Group Chief Human Resources and Corporate Affairs Officer, who is responsible for sustainability, accounts for the business' performance. This is a fundamental component to ensure that sustainability requirements are driven by and within core business functions and integrated within planning and management cycles.

# Annual sustainability statements *continued*

## Sustainability value added statements for 2014

All items marked \* have been assured. For the assurance statement, refer to **IR** (pages 52, 53 and inside back cover).

Indicator	Notes	Unit	2014	2013	2012	2011	2010
<b>EMPLOYEES</b>							
Total employees		Number	22 204	25 424	26 705	24 252	26 055
Employee turnover		%	8,3	7	2,6	7,1	9,6
Employees retrenched	1	Number	752	315	570	Not available	Not available
Gender diversity (females to total employees)		%	37	36	25	32	34
Female representatives at Group board level		Number	3	2	2	2	2
Female representation: senior manager level and above		%	1,5	1,3	0,85	Not available	Not available
Expatriate staff		%	0,9	1,1	Not available	Not available	Not available
Employee learning and development	2	R million	254	293	383	265	249
Training hours per employee	3	Hours	17,4	31,9	32,7	16	30,8
Employee culture survey results*	4	%	65*	68	68,87	69	68
Employees receiving performance review		%	100	100	100	100	100
<b>EMPLOYEE HEALTH AND SAFETY</b>							
Workplace-related deaths		Number	0	5	2	Not available	Not available
Workplace-related serious injuries		Number	12	41	36	Not available	Not available
Operations with health and safety committee and dedicated monitoring representative		%	59	59	45	Not available	Not available
Operations with health and safety monitoring representative only		%	72	72	59	Not available	Not available
<b>GOVERNANCE</b>							
Operations with fraud management framework*		%	91*	86	81	Not available	Not available
Number of calls to Tip-Offs Anonymous whistle-blower line*	5	Number	260*	687	886	Not available	Not available
Nominated ethics management representatives trained (started and completed):	6	Number					
■ At Group			0	25	–	–	–
■ At operations			0	0	–	–	–
Total employees undertaking online ethics training		Number	1 104	–	–	–	–
<b>ENVIRONMENT AND CLIMATE</b>							
Group greenhouse gas (GHG) emissions	7	Tonnes carbon dioxide and equivalent (tCO <sub>2</sub> e)	1 531 527	1 520 895	1 040 722	950 564	1 126 894
Scope 1: direct emissions		tCO <sub>2</sub> e	793 098	769 471	652 790	536 541	743 646
Scope 2: indirect emissions	7	tCO <sub>2</sub> e	595 177	636 184	384 725	407 492	378 869
Scope 3: indirect emissions		tCO <sub>2</sub> e	143 252	115 240	3 208	6 531	4 379
CO <sub>2</sub> e intensity per subscriber	8	tCO <sub>2</sub> e	0,007	0,007	0,006	0,008	0,005
Energy savings (diesel)		kℓ	2 846	3 055	Not available	Not available	Not available
Energy savings (electricity saved)		MWh	25 555	46 737	Not available	Not available	Not available
GHG reductions		tCO <sub>2</sub> e	29 034	54 587	Not available	Not available	Not available

# Annual sustainability statements *continued*

## Sustainability value added statements for 2014 *continued*

Indicator	Notes	Unit	2014	2013	2012	2011	2010
<b>ENVIRONMENT AND CLIMATE</b> <i>continued</i>							
Energy spend (Nigeria)*		R million	1 985*	1 980	–	–	–
Electricity use (Nigeria)*		kWh	91 497 856*	106 502 142	–	–	–
Diesel use (Nigeria)*		kℓ	185 972*	166 116	–	–	–
Scope 1: direct emissions (Nigeria)*		tCO <sub>2</sub> e	524 893*	492 271	–	–	–
Scope 2: indirect emissions (Nigeria)*		tCO <sub>2</sub> e	39 619*	46 115	–	–	–
SA e-waste project	9	Tonnes	326	469	Not available	Not available	Not available
<b>ECONOMIC DEVELOPMENT AND SOCIAL INCLUSIVITY</b>							
Corporate social investment (MTN foundations)*		R million	282,5*	314	235	128	155
Employee volunteers	10	Number	9 571	11 562	12 007	12 784	12 981
Black economic empowerment (South Africa)		Score out of 100	85,72	75,58	85,4	86,9	77,1
Ownership (20 base points and 3 bonus points)		Score out of 23	21,34	21,00	21,00	21,2	11,6
Management and control (explain bonus)		Score out of 10 (clarify bonus)	10,37	11,00	8,9	8,4	8,4
Employment equity		Score out of 10	5,45	5,02	12,2	11,8	11,4
Skills development		Score out of 17	8,39	7,23	7,4	8,4	6,8
Preferential procurement	11	Score out of 20	19,66	9,61	17	17,1	18,7
Enterprise development		Score out of 11	8,51	9,72	14	15	15
Socio-economic development		Score out of 12	12	12	5	5	5

## Sustainability value added statements for 2014 *continued*

### A. Notes regarding external assurance:

Indicators marked with an \* have been subjected to external assurance. Please refer to pages 52, 53 and inside back cover of the integrated report **IR** for the assurance statement. The assurance statement will also contain information about customer service indicators including MTN's market performance report results and network quality of service indicators, which have not been repeated in the sustainability value added statements above, to avoid duplication.

### B. Notes regarding values in the sustainability value added statement above:

- <sup>1</sup> The retrenchments were as a result of changes in MTN's operating model which led to the need for headcount and cost reduction in some operations. Internal restructuring and a move towards outsourcing managed services meant that some employees in Benin, Cameroon, Cyprus, Ghana, Guinea Republic, Guinea-Bissau, MANCO, South Africa, South Sudan and Sudan had to be retrenched.
- <sup>2</sup> The marked substitution of online learning for instructor-led learning resulted in cost savings.
- <sup>3</sup> The substitution of online learning for instructor-led learning resulted in a reduced number of reported training hours per employee, using the ratio of one hour of online training being equivalent to two hours instructor-led training. The figure of 31,9 training hours per employee in 2013 included external sales staff trained by MTN for MTN franchise shops.
- <sup>4</sup> Using the Towers Watson Global Telecommunications norms, 15 dimensions, comprising over 100 questions, are posed to all employees via an annual survey. This survey assesses the relationship between MTN's intent and the extent to which its employees fit that intent. The score of 65% indicates an overall average "favourable" response (employee answers of "agree" and "tend to agree"). This means 35% of responses were on average unfavourable (employee answers of "tend to disagree", "disagree" or "I don't know").
- <sup>5</sup> The reason for the decrease in the number of reported incidents is the redirection of administrative and customer-specific complaints to other channels focused on improving customer service and non-fraud-related issues. Whistleblower statistics now refer to issues that may be fraudulent only.
- <sup>6</sup> The MTN Group ethics task team has not offered face-to-face, instructor-led training to the in-country ethics champions. Instead, a digital ethics governance and management toolkit has been prepared as a comprehensive reference guide on a full spectrum of ethics management responsibilities.
- <sup>7</sup> Restatement: MTN Nigeria's Scope 2 greenhouse gas emissions for 2013 were revised as a result of assurance processes and 640 831tCO<sub>2</sub>e was reported. This is now changed to 636 184tCO<sub>2</sub>e. This resulted in a revision in the reported emissions for the Group. The revised emissions for the Group were correctly reported and noted in the Group's submission to the Carbon Disclosure Project in May 2014, but due to the publication of the Group's integrated report in March 2014, we were not able to amend the integrated report beforehand.
- <sup>8</sup> Emissions per subscriber were incorrectly calculated and reported in previous years, and are therefore restated.
- <sup>9</sup> Operational changes to improve business efficiencies within MTN SA also resulted in a policy of repair rather than replacement of IT equipment where possible. Although this is a more environmentally appropriate option, it does have the effect of reducing the volume of e-waste available for downstream processing.
- <sup>10</sup> Internal operational changes as well as broader socio-political constraints resulted in a reduction in the number of employee volunteers in the 2014 MTN 21 Days of Yello Care programme.
- <sup>11</sup> The improvement in scores for preferential procurement in 2014 reflects the results of a strategy adopted in 2013 to set aside procurement opportunities for BEE suppliers, increase BEE spending on exempted microenterprises and qualifying small enterprises, and other solutions to ensure increased support for preferential BEE procurement.

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014

In previous years, our reports were based on the Global Reporting Initiative (GRI) 3 Guidelines. This year, our report contains Disclosures and Core Indicators material to our business from GRI's G4 guidelines.

In reviewing this report, the following sources (document or web link) must be referenced in order to comprehensively assess our response:

- MTN Group integrated report 2014 (IR) 
- MTN Group sustainability report 2014 (SR) 
- MTN Group Carbon Disclosure Project report 2014 (CDP) 
- MTN Group Global Compact Communication of Progress report 2014 (UNGC) 
- MTN Group website (www.mtn.com) 

Index	Description	Information (document or web link)	Page(s)
<b>STRATEGY AND ANALYSIS</b>			
G4-1	CEO statement	<ul style="list-style-type: none"> <li>■ IR: Interview with Group president and CEO</li> <li>■ SR: MTN's Group president and CEO's message on sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 22 – 23</li> <li>■ 3 – 4</li> </ul>
G4-2	Impacts, risks and opportunities on stakeholders and financial performance	<ul style="list-style-type: none"> <li>■ IR: Our top risks and what we are doing about them</li> <li>■ SR: Energy and climate risks, mitigation and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>■ 16 – 17</li> <li>■ 21</li> </ul>
<b>ORGANISATIONAL PROFILE</b>			
G4-3	Name of reporting organisation	<ul style="list-style-type: none"> <li>■ MTN Group Limited</li> </ul>	
G4-4	Primary brands, products and services	<ul style="list-style-type: none"> <li>■ <a href="https://www.mtn.com/MTNGROUP/ProductsandServices/Pages/">https://www.mtn.com/MTNGROUP/ProductsandServices/Pages/</a></li> <li>■ IR: What we offer</li> </ul>	<ul style="list-style-type: none"> <li>■ Unnumbered page prior to page 1</li> </ul>
G4-5	Location of headquarters operating structure	<ul style="list-style-type: none"> <li>■ 216 – 14th Avenue, Fairland, 2195, South Africa</li> </ul>	
G4-6	Geographic scope/map of operations	<ul style="list-style-type: none"> <li>■ IR: Where we operate</li> </ul>	<ul style="list-style-type: none"> <li>■ Unnumbered page prior to page 1</li> </ul>
G4-7	Nature of ownership and legal form	<ul style="list-style-type: none"> <li>■ IR: MTN Group profile; footprint</li> <li>■ <a href="https://www.mtn.com/Investors/FinancialReporting/Documents/INTEGRATEDREPORTS/2014/ar_Annual_Financials_Statement_2014.pdf">https://www.mtn.com/Investors/FinancialReporting/Documents/INTEGRATEDREPORTS/2014/ar_Annual_Financials_Statement_2014.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>■ 2</li> </ul>
G4-8	Markets served, sectors served and profile of customers/beneficiaries, profile of customer base	<ul style="list-style-type: none"> <li>■ IR: Where we operate</li> </ul>	<ul style="list-style-type: none"> <li>■ Unnumbered page prior to page 1</li> </ul>
G4-9	Scale of the reporting organisation including number of employees and operations	<ul style="list-style-type: none"> <li>■ IR: MTN's value creation</li> <li>■ SR: Scope, boundaries and integration</li> <li>■ SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>■ 4 – 5</li> <li>■ 53</li> <li>■ 34</li> </ul>
G4-10	Number of employees by employment contract and gender	<ul style="list-style-type: none"> <li>■ SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>■ 34</li> </ul>
G4-11	Percentage of employees covered by collective bargaining agreements	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
G4-12	Describe the organisation's supply chain (types, number of and locations of suppliers including any sector-specific characteristics of the supply chain)	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
G4-13	Changes occurring within the reporting period regarding size, structure or ownership	<ul style="list-style-type: none"> <li>■ <a href="http://www.mtn-investor.com/reporting/prelims_2014/excels/fin-changes.xls">http://www.mtn-investor.com/reporting/prelims_2014/excels/fin-changes.xls</a></li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>			
G4-14	How the precautionary approach/principle is addressed	<ul style="list-style-type: none"> <li>SR: Environmental management</li> </ul>	18
G4-15	External economic, environmental and social charters or principles subscribed to/endorsed	<ul style="list-style-type: none"> <li>SR: Standards and governance</li> </ul>	33
G4-16	Memberships of associations and national or international advocacy organisations	<ul style="list-style-type: none"> <li>National Business Initiative – corporate member</li> <li>Group Special Mobile Association (GSMA): Group president and CEO is board member of GSMA Limited</li> <li>United Nations Global Compact (UNGC)</li> </ul>	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Organisational structure	<ul style="list-style-type: none"> <li>IR: Where we operate</li> <li>SR: Scope, boundaries and integration</li> </ul>	53
G4-18	How report content and aspect boundaries are defined and how the organisation has implemented reporting principles	<ul style="list-style-type: none"> <li>SR: Determining material issues</li> <li>IR: Our material issues</li> </ul>	54 6 – 7
G4-19	List all material aspects identified in the process for defining report content	<ul style="list-style-type: none"> <li>SR: Determining material issues</li> <li>IR: Our material issues</li> </ul>	54 6 – 7
G4-20	For each material aspect, report the aspect boundary within the organisation	<ul style="list-style-type: none"> <li>SR: About this report</li> </ul>	53 – 54
G4-21	For each material aspect, report the aspect boundary outside of the organisation	<ul style="list-style-type: none"> <li>SR: About this report</li> </ul>	54
G4-22	Effect of any restatements of information in previous reports and associated reasons	<ul style="list-style-type: none"> <li>SR: Notes to sustainability value added statement</li> </ul>	54
G4-23	Significant changes to report content/scope (material aspects) from previous reports	<ul style="list-style-type: none"> <li>No significant changes</li> </ul>	
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organisation	<ul style="list-style-type: none"> <li>IR: Our key relationships</li> <li>SR: Stakeholders</li> </ul>	8 – 9 53
G4-25	How are stakeholders identified?	<ul style="list-style-type: none"> <li>IR: Our key relationships</li> <li>SR: Stakeholders</li> </ul>	8 – 9 53
G4-26	Approaches to stakeholder engagement (who, how, and what outcomes)	<ul style="list-style-type: none"> <li>IR: Our key relationships</li> <li>SR: Stakeholders</li> </ul>	8 – 9 53
G4-27	Stakeholder concerns and how the organisation has responded. Report the stakeholder groups that raised each concern	<ul style="list-style-type: none"> <li>IR: Our key relationships</li> <li>SR: Stakeholders</li> </ul>	8 – 9 53
<b>REPORT PROFILE</b>			
G4-28	Reporting period	<ul style="list-style-type: none"> <li>1 January 2014 to 31 December 2014</li> </ul>	
G4-29	Date of most recent report	<ul style="list-style-type: none"> <li>31 December 2013</li> </ul>	
G4-30	Reporting cycle	<ul style="list-style-type: none"> <li>Annual</li> </ul>	
G4-31	Contact point	<ul style="list-style-type: none"> <li>IR: Administration</li> <li>SR: Where to find more information</li> </ul>	88 55



# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>REPORT PROFILE <i>continued</i></b>			
G4-32	"In accordance" option chosen, GRI content index chosen, external assurance report	<ul style="list-style-type: none"> <li>■ "In accordance" – core</li> <li>■ GRI context index – G4</li> <li>■ IR: Assurance report for selected indicators</li> <li>■ SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>■ 52 – 53, 89</li> <li>■ 34 – 36</li> </ul>
G4-33	Policy and current practice on independent assurance, and whether the highest governance body is involved in seeking assurance for the sustainability report	<ul style="list-style-type: none"> <li>■ IR: Assurance report for selected indicators</li> <li>■ SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>■ 89</li> <li>■ 34 – 36</li> </ul>
<b>GOVERNANCE</b>			
G4-34	Governance structure including highest governance committees, and committees responsible for decision making on economic, environment, and social impacts	<ul style="list-style-type: none"> <li>■ IR: How we are governed</li> <li>■ SR: Standards and governance; governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 40, 44 – 45</li> <li>■ 33</li> </ul>
G4-35	Process for delegating authority for sustainability topics from the highest governance body to senior executives and other employees	<ul style="list-style-type: none"> <li>■ SR: Standards and governance; governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 33</li> </ul>
G4-36	Executive level position/s with responsibility for sustainability topics including reporting lines to highest governance body	<ul style="list-style-type: none"> <li>■ SR: Standards and governance; governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 33</li> </ul>
G4-37	Process for consultation between stakeholders and the highest governance body on sustainability topics	<ul style="list-style-type: none"> <li>■ SR: Determining material issues</li> </ul>	<ul style="list-style-type: none"> <li>■ 54</li> </ul>
G4-38	Composition of the highest governance body (board) and its committees – detailed	<ul style="list-style-type: none"> <li>■ IR: How we are governed</li> </ul>	<ul style="list-style-type: none"> <li>■ 44 – 45</li> </ul>
G4-39	Is chairman of highest governance body also an executive officer?	<ul style="list-style-type: none"> <li>■ IR: Who is responsible – profiles of our board of directors</li> <li>■ IR: How we are governed – roles of chairman and Group president and CEO</li> </ul>	<ul style="list-style-type: none"> <li>■ 34 – 37</li> <li>■ 41</li> </ul>
G4-40	Nomination and selection process for highest governance body and committees, including criteria such as diversity, independence, and expertise for nominations and selections	<ul style="list-style-type: none"> <li>■ IR: Summarised corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>■ 41, 45</li> </ul>
G4-41	Process followed by the board for managing conflicts of interest	<ul style="list-style-type: none"> <li>■ IR: How we are governed</li> </ul>	<ul style="list-style-type: none"> <li>■ 40</li> </ul>
G4-42	Highest governance body's role in development, and approval of organisation's value statements, policies and strategies related to sustainability	<ul style="list-style-type: none"> <li>■ IR: How we are governed</li> </ul>	<ul style="list-style-type: none"> <li>■ 45</li> </ul>
G4-43	Measures taken to develop and enhance board's knowledge of sustainability	<ul style="list-style-type: none"> <li>■ IR: How we are governed – directors' induction and ongoing training</li> </ul>	<ul style="list-style-type: none"> <li>■ 42</li> </ul>
G4-44	Processes for evaluating board's sustainability performance and actions taken in response to evaluations	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
G4-45	Board's oversight of sustainability	<ul style="list-style-type: none"> <li>■ IR: How we are governed (summarised corporate governance: social and ethics committee)</li> <li>■ SR: Standards and governance – governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 45</li> <li>■ 33</li> </ul>
G4-46	Board's role in reviewing effectiveness of risk management processes	<ul style="list-style-type: none"> <li>■ IR: How we are governed – our risk management process</li> </ul>	<ul style="list-style-type: none"> <li>■ 47</li> </ul>
G4-47	Report the frequency of the board's review of economic, environmental and social impacts, risks and opportunities	<ul style="list-style-type: none"> <li>■ IR: How we are governed</li> <li>■ SR: Standards and governance – governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 43</li> <li>■ 33</li> </ul>

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>GOVERNANCE</b> <i>continued</i>			
G4-48	Highest committee or position that approves sustainability report and ensures all material aspects are covered	<ul style="list-style-type: none"> <li>IR: How we are governed</li> <li>SR: Standards and governance – governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>46</li> <li>33</li> </ul>
G4-49	Process for communicating critical concerns to the board	<ul style="list-style-type: none"> <li>IR: How we are governed – our risk management process</li> <li>SR: Standards and governance – governance of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>46 – 47</li> <li>33</li> </ul>
G4-50	Nature and number of critical concerns communicated to Board, and mechanisms used to resolve	<ul style="list-style-type: none"> <li>Not disclosed</li> </ul>	
G4-51	Report remuneration policies for highest governance body and senior executives, and describe the link between remuneration and leadership performance	<ul style="list-style-type: none"> <li>IR: How we remunerate our people</li> </ul>	<ul style="list-style-type: none"> <li>56 – 65</li> </ul>
G4-52	Process for determining remuneration	<ul style="list-style-type: none"> <li>IR: How we remunerate our people</li> </ul>	<ul style="list-style-type: none"> <li>56 – 65</li> </ul>
G4-53	How are stakeholders' views taken into account regarding remuneration	<ul style="list-style-type: none"> <li>In addition to internal remuneration policies, stakeholder views are taken into account to ensure both internal equity and external competitiveness</li> </ul>	
G4-54	Ratio of total annual compensation for organisation's highest-paid individual in each country to median annual total compensation for all employees (excluding highest paid) in that country	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
G4-55	Ratio of percentage increase in annual total compensation for organisation's highest-paid individual in each country to median percentage increase for all employees (excluding highest paid) in that country	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>ETHICS AND INTEGRITY</b>			
G4-56	Organisation's values, principles, standards, norms of behaviour and codes of conduct/ethics	<ul style="list-style-type: none"> <li>IR: Our values</li> <li>IR: How we are governed</li> <li>SR: Sustainable societies – anti-corruption</li> <li>www.mtn.com/sustainability Group positions:                             <ul style="list-style-type: none"> <li>– Group social and ethics statement</li> <li>– Anti-corruption</li> <li>– Conflicts of interest</li> <li>– Human rights and ICT</li> <li>– Networks and environment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Inside front cover</li> <li>40</li> </ul>
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	<ul style="list-style-type: none"> <li>IR: How we are governed – social and ethics report</li> <li>SR: Sustainable societies – anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>50 – 51</li> <li>28 – 29</li> </ul>
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, escalations, and whistle-blowing	<ul style="list-style-type: none"> <li>IR: How we are governed – fraud risk management</li> <li>IR: How we are governed – social and ethics report</li> <li>SR: Sustainable societies – anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>49</li> <li>50 – 51</li> <li>28 – 29</li> </ul>
<b>CATEGORY: Economic</b>			
<b>ASPECT: Economic performance</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li><a href="https://www.mtn.com/Investors/FinancialReporting/Pages/IntegratedReports.aspx">https://www.mtn.com/Investors/FinancialReporting/Pages/IntegratedReports.aspx</a></li> <li><a href="https://www.mtn.com/Investors/FinancialReporting/Pages/AnnualResults.aspx">https://www.mtn.com/Investors/FinancialReporting/Pages/AnnualResults.aspx</a></li> <li><a href="https://www.mtn.com/Investors/FinancialReporting/Pages/InterimResults.aspx">https://www.mtn.com/Investors/FinancialReporting/Pages/InterimResults.aspx</a></li> <li><a href="https://www.mtn.com/Investors/FinancialReporting/Pages/QuarterlyResults.aspx">https://www.mtn.com/Investors/FinancialReporting/Pages/QuarterlyResults.aspx</a></li> <li><a href="https://www.mtn.com/Investors/MoreinInvestors/Pages/Presentations.aspx">https://www.mtn.com/Investors/MoreinInvestors/Pages/Presentations.aspx</a></li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Economic <i>continued</i></b>			
<b>ASPECT: Economic performance <i>continued</i></b>			
G4-EC1	Direct economic value generated and distributed (revenues, operating costs, wages, benefits, loans)	<ul style="list-style-type: none"> <li>IR: Summarised financial statements</li> </ul>	<ul style="list-style-type: none"> <li>4 – 5</li> </ul>
G4-EC2	Climate change-related financial implications and risks and opportunities	<ul style="list-style-type: none"> <li>SR: Energy and climate – risks, mitigation and opportunities</li> <li><a href="https://www.mtn.com/Sustainability/Documents/MTN_Group_2014_CDP_Report.pdf">https://www.mtn.com/Sustainability/Documents/MTN_Group_2014_CDP_Report.pdf</a></li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>21</li> </ul>
G4-EC3	Defined benefit plan obligations coverage	<ul style="list-style-type: none"> <li>IR: How we remunerate our people</li> </ul>	<ul style="list-style-type: none"> <li>56 – 65</li> </ul>
G4-EC4	Financial assistance from government	<ul style="list-style-type: none"> <li>In some countries, standard government rebates to encourage investment in national skills development and training are available to employers. In South Africa, for example, rebates at rates determined by the government are available on payments made in terms of the Skills Development Levies Act (where companies are registered with the South African Revenue Service, have a payroll above a government-determined threshold, and make payments of 1% of monthly payroll costs to the national Skills Development Levy).</li> </ul>	
<b>CATEGORY: Economic</b>			
<b>ASPECT: Market presence</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>IR: How we remunerate our people</li> </ul>	<ul style="list-style-type: none"> <li>56 – 65</li> </ul>
G4-EC5	Ratios of standard entry-level wage compared to local minimum wage (by gender)	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
G4-EC6	Proportions of senior management hired from local communities	<ul style="list-style-type: none"> <li>We currently report on the percentage of ex-patriate employees, but do not indicate this by management level. See SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>34</li> </ul>
<b>CATEGORY: Economic</b>			
<b>ASPECT: Indirect economic impacts</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>IR: MTN's value creation</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.mtn.com/SocialResponsibility/Pages/default.aspx">https://www.mtn.com/SocialResponsibility/Pages/default.aspx</a></li> </ul>	<ul style="list-style-type: none"> <li>4 – 5</li> <li>34 – 36</li> </ul>
G4-EC7	Extent and impact of development of significant infrastructure investments and services and whether they are commercial, in kind, or pro bono engagements	<ul style="list-style-type: none"> <li>SR: Sustainable economic value Y'ello Fibre Ring</li> <li><a href="https://www.mtn.com/SocialResponsibility/Pages/default.aspx">https://www.mtn.com/SocialResponsibility/Pages/default.aspx</a></li> </ul>	<ul style="list-style-type: none"> <li>13</li> </ul>
G4-EC8	Significant indirect economic impacts, including extent of impacts	<ul style="list-style-type: none"> <li>IR: MTN's value creation</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.mtn.com/SocialResponsibility/Pages/default.aspx">https://www.mtn.com/SocialResponsibility/Pages/default.aspx</a></li> </ul>	<ul style="list-style-type: none"> <li>4 – 5</li> <li>34 – 36</li> </ul>
<b>CATEGORY: Economic</b>			
<b>ASPECT: Procurement practices</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>The Group sourcing committee is responsible for driving efficient procurement processes at Group and in the operations. While operations are encouraged to source products and services centrally to achieve desired savings, local procurement in support of economic development is an important feature for all operations</li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Economic <i>continued</i></b>			
<b>ASPECT: Procurement practices <i>continued</i></b>			
G4-EC9	Policies, practices, and proportion of spending on locally based suppliers	<ul style="list-style-type: none"> <li>SR: Sustainability value added statement (black economic empowerment)</li> </ul>	<ul style="list-style-type: none"> <li>35</li> </ul>
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Materials</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – environmental management</li> <li>SR: Eco-responsibility – e-waste</li> </ul>	<ul style="list-style-type: none"> <li>18 – 19</li> <li>25</li> </ul>
G4-EN2	Materials used: weight/volume	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – e-waste</li> <li>SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>25</li> <li>35</li> </ul>
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Energy</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> <li>34 – 35</li> </ul>
G4-EN3	Energy consumption within the organisation	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> </ul>
G4-EN4	Energy consumption outside of the organisation	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> </ul>
G4-EN5	Energy intensity ratio	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> <li>34</li> </ul>
G4-EN6	Reduction of energy consumption (as a result of conservation and efficiency initiatives)	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Group president and CEO's message on sustainability</li> <li><a href="https://www.mtn.com/Sustainability/Ecoresponsibility/Pages/energymangement.aspx">https://www.mtn.com/Sustainability/Ecoresponsibility/Pages/energymangement.aspx</a></li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> <li>4</li> </ul>
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Water</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Due to the nature of MTN's business and the products and services offered, this indicator is not material. However, as part of the maintaining the ISO 14001 and LEED certifications for MTN South Africa, responsible water management and use is addressed. MTN Nigeria and MTN Cyprus are currently working towards ISO 14001 certification. Other operations, while not ISO 14001 certified, maintain safety, health and environmental policies, and as part of 2015's business plans, all MTN countries of operation are reviewing environmental risks as a focus area in terms of the Group's principal risks. A number of MTN operations are currently implementing the Group Green Office toolkit, for water-saving opportunities at offices and similar premises</li> </ul>	
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Biodiversity</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – environmental management</li> <li><a href="https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2013.pdf">https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2013.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>18 – 19</li> </ul>

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Emissions</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20 – 24</li> </ul>
G4-EN15	Direct GHG emissions (Scope 1)	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20</li> <li>34</li> </ul>
G4-EN16	Energy indirect GHG emissions (Scope 2)	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20</li> <li>34</li> </ul>
G4-EN17	Other indirect GHG emissions (Scope 3)	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20</li> <li>34</li> </ul>
G4-EN18	GHG emissions intensity	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20</li> <li>34</li> </ul>
G4-EN19	Reduction of GHG emissions	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – energy and climate</li> <li>IR: MTN's value creation</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>21 – 23</li> <li>34</li> </ul>
G4-EN20	Emissions of ozone depleting substances (ODS)	<ul style="list-style-type: none"> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Effluents and waste</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Due to the nature of MTN's business and the products and services offered, this indicator is not material. However, as part of the maintaining the ISO 14001 and LEED certifications for MTN South Africa, responsible water management and use is addressed. MTN Nigeria and MTN Cyprus are currently working towards ISO 14001 certification. Other operations, while not ISO 14001 certified, maintain safety, health and environmental policies, and as part of 2015's business plans, all MTN countries of operation are reviewing environmental risks as a focus area in terms of the Group's principal risks. A number of MTN operations are currently implementing the Group Green Office toolkit, for office waste management and reduction opportunities at offices and similar premises. The Group is also addressing downstream recycling of its e-waste and that of its customers in South Africa and in Benin</li> </ul>	
G4-EN23	Total weight of waste by type and disposal method	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – e-waste</li> <li>SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>25</li> <li>35</li> </ul>
G4-EN24	Total number and volume of significant spills	<ul style="list-style-type: none"> <li>Not available</li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Environmental <i>continued</i></b>			
<b>ASPECT: Effluents and waste <i>continued</i></b>			
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	<ul style="list-style-type: none"> <li>The most material waste subject to this convention is e-waste. In South Africa, e-waste is processed locally to the greatest possible extent, by MTN's e-waste handlers. MTN's fractions are ultimately mixed with e-waste from other companies and sources, and we are not aware of the weight of fractions shipped internationally. A short-term public awareness and e-waste collection campaign will be undertaken in early 2015 by MTN Benin and Ericsson. E-waste collected will be shipped from Benin to South Africa, and is therefore subject to the convention. We will report on weight in 2016</li> </ul>	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	<ul style="list-style-type: none"> <li>Although not a material aspect for the Group, see SR: Eco-responsibility – infrastructure environmental management</li> </ul>	<ul style="list-style-type: none"> <li>18 – 19</li> </ul>
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Products and services</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>The global e-Sustainability Initiative has assessed that ICT-enabled solutions can help the world achieve carbon abatements in the region of 9,6GtCO<sub>2</sub>e or 16,5% of global outputs by 2020. Although our solutions in this domain are relatively small, opportunities are growing rapidly, and include cloud computing for virtualisation and other efficiencies, and machine-to-machine products to address risks of water leakage, report on air quality composition for improvement efforts, and encouragement of energy-efficient driving by fleet drivers using our fleet management solution.</li> <li>SR: Sustainable economies – enterprise services</li> <li><a href="https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=29">https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=29</a></li> <li><a href="https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=28">https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=28</a></li> <li><a href="https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=23">https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/CaseStudyFullView.aspx?plD=23</a></li> </ul>	<ul style="list-style-type: none"> <li>14 – 15</li> </ul>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	<ul style="list-style-type: none"> <li>SR: Eco-responsibility – e-waste</li> <li>SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>18 – 19</li> <li>35</li> </ul>
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Compliance</b>			
	Describe the approach to managing and reporting on compliance (with environmental laws and regulations)	<ul style="list-style-type: none"> <li>The Group's legal department receives reports from operations on non-compliances and fines issued to the operations</li> </ul>	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Transport</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Although transportation is not a source of significant environmental impact and is not deemed material, greenhouse gas emissions associated with transport and quantified</li> <li>SR: Eco-responsibility – energy and climate</li> <li>SR: Sustainability value added statement</li> <li><a href="https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn">https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn</a></li> </ul>	<ul style="list-style-type: none"> <li>20</li> <li>34</li> </ul>

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Environmental</b>			
<b>ASPECT: Overall</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>■ SR: Eco-responsibility – environmental management</li> <li>■ IR: How we are governed – social and ethics committee terms of reference</li> <li>■ <a href="https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2013.pdf">https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2013.pdf</a></li> <li>■ <a href="https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf">https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>■ 18 – 19</li> <li>■ 45</li> </ul>
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Employment</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>■ Our employment practices are guided by the international and local labour laws that seek to protect the rights of both the employer and employee in the workplace. Detailed monthly reports on various aspects are submitted to the Group chief human resources and corporate affairs officer. Annual performance is presented in the Group's UN Global Compact communication of progress report</li> </ul>	
G4-LA1	Number and rates of employee hires and turnover, by age group, gender, and region	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary/part-time employees, by significant locations of operations	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
G4-LA3	Return to work and retention rates after parental leave, by gender	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Labour/management relations</b>			
	Describe the approach to management of labour relations and how this is reported on	<ul style="list-style-type: none"> <li>■ Retrenchments are a result of organisational restructuring. All organisational restructures follow a strict consultation with affected staff. During this process, employees have the opportunity to interrogate the changes and offer suggestions for management to apply their minds to. Should retrenchment still be necessary after thorough consultation, affected employees are informed in person, and the discussion is confirmed in the form of a letter to the employee</li> </ul>	
G4-LA4	Report minimum notice periods regarding significant operational changes as well as whether these are specified in collective agreements	<ul style="list-style-type: none"> <li>■ Employees are notified as soon as a possible restructuring process within the organisation is considered. This follows a consultation process. Once an employee has been confirmed for retrenchment, s/he is given at least one month's notice. This notice period may even be longer than one month, as determined by the various labour laws (which always state the minimum notice period) applicable in the countries in which MTN operates. It is important to note that MTN has a very generous retrenchment policy relative to severance pay</li> </ul>	
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Occupational health and safety</b>			
	Describe the approach to managing and reporting on occupational health and safety within the organisation	<ul style="list-style-type: none"> <li>■ SR: Sustainable societies – employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>■ 30</li> </ul>
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	<ul style="list-style-type: none"> <li>■ SR: Sustainable societies – employee health and safety</li> <li>■ SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>■ 30</li> <li>■ 34</li> </ul>

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Social – labour practices and decent work <i>continued</i></b>			
<b>ASPECT: Occupational health and safety <i>continued</i></b>			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and gender	<ul style="list-style-type: none"> <li>SR: Sustainable societies – employee health and safety</li> <li>SR: Sustainability value added statement</li> <li>Occupational diseases are not a feature of our business, given the nature of products and services offered</li> <li>Data on lost days is not available, but is deemed not material due to the low rate of workplace-related accidents/injuries</li> </ul>	<ul style="list-style-type: none"> <li>30</li> <li>34</li> </ul>
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Training and education</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Employees are actively encouraged to continuously take advantage of opportunities to improve their capabilities and skills through extensive training available digitally, face-to-face and from other sources supplied by the MTN Academy, or from external accredited and reputable organisations. On a regular basis, MTN Academy compiles internal reports for management on the nature of training undertaken by employees, amount of time spent on each module, and pass rates. Certain elements of training are mandatory for all employees. Directors also receive regular and informative updates and training on legislative, regulatory, and any other business-related changes throughout their tenure. They are also encouraged to discuss their development needs with the chairman, and are provided with training where necessary</li> </ul>	
G4-LA9	Average hours of training per employee per year (by gender and employee category)	<ul style="list-style-type: none"> <li>SR: Annual sustainability statement</li> </ul>	<ul style="list-style-type: none"> <li>34</li> </ul>
G4-LA10	Report on the type and scope of programmes implemented for employee skills management and lifelong learning	<ul style="list-style-type: none"> <li>While detailed reports are available internally, this information is not available for external reporting currently</li> </ul>	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	<ul style="list-style-type: none"> <li>SR: Annual sustainability statement</li> </ul>	<ul style="list-style-type: none"> <li>34</li> </ul>
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Diversity and equal opportunity</b>			
	Describe the approach to managing and reporting on diversity and equal opportunity	<ul style="list-style-type: none"> <li>We aim to ensure that our workforce, across our various operations, is representative of the communities in which we operate. This ensures a diverse workforce, and also represents gender diversity across sectors. Whilst MTN's retirement age requirement is taken into account, opportunities are available to all age groups from 18 to 59. Competency-based interviews are conducted to remove any subjectivity in the selection process, ensuring that people are recruited for the skills they offer, and are thus given an equal opportunity. We comply with any local requirement stipulated by the national department of labour in relation to employment equity in the countries in which we operate</li> </ul>	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age, and other indicators of diversity	<ul style="list-style-type: none"> <li>IR: Who is responsible</li> <li>SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>34 – 36</li> <li>34</li> </ul>



# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Social – Labour practices and decent work</b>			
<b>ASPECT: Equal remuneration for men and women</b>			
	Describe the approach to management of equal remuneration for women and men, and how this is reported on	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operations	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Supplier assessment for labour practices</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Social – labour practices and decent work</b>			
<b>ASPECT: Labour practices grievance mechanisms</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>The Group has a defined code of conduct related to human resource management and practices. Entrenched in this is a detailed grievance procedure that ensures employees enjoy the freedom to raise grievances, and that these will be correctly mediated</li> </ul>	
G4-LA16	Number of grievances about labour practices filed, addressed, resolved, through formal grievance mechanisms	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Social – human rights</b>			
<b>ASPECT: Investment</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Sustainable societies – ICT human rights</li> <li><a href="https://www.mtn.com/Sustainability/Documents/Human_Rights_and_ITC_2013.pdf">https://www.mtn.com/Sustainability/Documents/Human_Rights_and_ITC_2013.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>29 – 30</li> </ul>
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Social – human rights</b>			
<b>ASPECT: Non-discrimination</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Entrenched in the Group's code of conduct are noted transgressions that carry serious penalties for any person who offends another based on colour, race, creed, political association or injury to a person or their dignity. This ensures that all employees are able to operate freely within the organisation, and focus on their primary roles (which is to provide the services contractually agreed to)</li> </ul>	
G4-HR3	Number of incidents of discrimination and action taken	<ul style="list-style-type: none"> <li>Not available</li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Social – human rights</b>			
<b>ASPECT: Freedom of association and collective bargaining</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council, without fear of victimisation. Our code of conduct enables us to correctly manage situations where an employee may infringe on these rights</li> </ul>	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at risk, and details of the measures taken to support these rights	<ul style="list-style-type: none"> <li>Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council, without fear of victimisation. Our code of conduct enables us to correctly manage situations where an employee may infringe on these rights</li> <li>Suppliers: Not available</li> </ul>	
<b>CATEGORY: Social – human rights</b>			
<b>ASPECT: Human rights grievance mechanisms</b>			
	Disclosure of management approach	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	<ul style="list-style-type: none"> <li>Not available</li> </ul>	
<b>CATEGORY: Society</b>			
<b>ASPECT: Local communities</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>SR: Sustainable societies – ICT human rights</li> <li><a href="https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf">https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf</a></li> <li><a href="https://www.mtn.com/SocialResponsibility/Pages/default.aspx">https://www.mtn.com/SocialResponsibility/Pages/default.aspx</a></li> </ul>	<ul style="list-style-type: none"> <li>29 – 30</li> </ul>
G4-SO1	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> <li>ICT human rights: activities in progress</li> <li>Mobiles and health: all operations engage directly, and through local regulatory authorities, with communities with respect to matters related to network installation</li> <li>CSI: all MTN operations engage directly with local communities either through formal MTN Foundations, which are responsible for disbursing financial social investment initiatives in the areas of education, health, economic empowerment and national priorities, and/or through 21 Days of Y'ello Care, the Group's annual staff volunteer programme in support of community upliftment</li> </ul>	
<b>CATEGORY: Society</b>			
<b>ASPECT: Anti-corruption</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>IR: How we are governed – risk management</li> <li>IR: How we are governed – social and ethics statement</li> <li>SR: Sustainable Societies – anti-corruption</li> <li>Group positions on <a href="http://www.mtn.com/sustainability">www.mtn.com/sustainability</a>:                             <ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Conflicts of Interest</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>49</li> <li>50 – 51</li> <li>28</li> </ul>
G4-SO3	Total number and percentage and of operations assessed for risks related to corruption and the significant risks identified	<ul style="list-style-type: none"> <li>IR: How we are governed – risk management</li> <li>SR: Sustainable societies – anti-corruption</li> <li>SR: Sustainability value added statement</li> </ul>	<ul style="list-style-type: none"> <li>49</li> <li>28</li> <li>34</li> </ul>
G4-SO4	Communication and training on anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>IR: How we are governed – summarised corporate governance report</li> <li>SR: Sustainable societies – anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>49, 51</li> <li>28</li> </ul>

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Society <i>continued</i></b>			
<b>ASPECT: Anti-corruption <i>continued</i></b>			
G4-S05	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> <li>Not disclosed</li> </ul>	
<b>CATEGORY: Society</b>			
<b>ASPECT: Public policy</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li><a href="https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf">https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf</a></li> <li>Public policy engagement is undertaken through the following means:                             <ul style="list-style-type: none"> <li>Via matters under consideration by the GSMA board, due to the fact that the Group's president and CEO is a member of this board</li> <li>Via the necessary regulatory agency either in formal public commentary invitation processes, or as required for possible emerging regulation or industry-specific matters such as carbon taxes, spectrum allocation, etc. (MTN operations may engage directly with the necessary regulatory agency, or collectively via national business or industry associations)</li> <li>With other national or international bodies or authorities such as the African Union, and the National Business Initiative or industry associations</li> </ul> </li> </ul>	
G4-S06	Total value of political contributions by country and recipient/beneficiary	<ul style="list-style-type: none"> <li>In support of South Africa's celebrations of 20 years of democracy, a donation was made to the Department of International Relations and Cooperation, for celebratory events to be held in some countries. The celebrations were, however, postponed to 2015, due to the emergence of Ebola in some of the countries in which MTN operates</li> <li>A US\$10 million humanitarian grant was made to the African Union in support of its appeal for support in the fight against Ebola</li> </ul>	
<b>CATEGORY: Society</b>			
<b>ASPECT: Anti-competitive behaviour</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>As a company incorporated in South Africa, the Group is regulated by the Competition Commission of South Africa and the rules and regulations applicable to all companies listed on the JSE</li> </ul>	
G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	<ul style="list-style-type: none"> <li>We have historically reported on the status and results of the lawsuit by Turkcell against MTN. This matter now resides for consideration at the South Gauteng High Court of South Africa</li> <li><a href="https://www.mtn.com/PressOffice/MTNIran/Pages/MTNIran.aspx">https://www.mtn.com/PressOffice/MTNIran/Pages/MTNIran.aspx</a></li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Society</b>			
<b>ASPECT: Compliance</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>IR: How we are governed</li> <li>IR: Social and ethics report</li> <li><a href="https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf">https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>45</li> <li>50 – 51</li> </ul>
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	<ul style="list-style-type: none"> <li>Telecommunication regulators in some countries in which MTN operates have threatened or imposed quality of service fines upon MTN based on network performance standards. Although this information is available in the public domain, we have not quantified the value of these fines for the purposes of this report</li> <li>Data related to other matters is not available</li> </ul>	
<b>CATEGORY: Society</b>			
<b>ASPECT: Grievance mechanisms for impacts on society</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>One of the Group's key mechanisms of encouraging reports of unacceptable behaviours (or allegations of unacceptable behaviour) for investigation is the anonymous whistle-blower line for use by both employees and the public. The line is supported by telephonic and e-mail communication channels, and is managed by Deloitte</li> </ul>	
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Customer health and safety</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Group positions on <a href="http://www.mtn.com/sustainability">www.mtn.com/sustainability</a> – Mobiles and health</li> </ul>	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<ul style="list-style-type: none"> <li>Group positions on <a href="http://www.mtn.com/sustainability">www.mtn.com/sustainability</a> – Mobiles and health</li> <li>Regarding the position paper above, all handsets have to be certified for safety before national regulators will allow distribution. The number of network sites assessed for health and safety impacts with respect to safety levels of electromagnetic fields varies for each country of operations, and is subject to requirements set out by the national telecommunications regulator</li> </ul>	
G4-PR2	Number of incidents of regulatory non-compliance concerning health and safety impacts of products and services during their lifecycle, by type of outcome	Not available	
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Product and service labelling</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>Each MTN operation maintains terms, conditions on service and legal content on the local website for the operations. These terms and conditions may also include any additional information useful to subscribers, such as activation agreements, transfer procedures, defective goods and technical fault reporting, and more, and are often also separately detailed for different types of value-add and internet services, phones and devices, etc. Terms and conditions of service for physical products such as mobile handsets and tablets may also be included in the product pack. Product and service labelling may also be subject to additional communication, disclosure or other requirements as set out by national consumer protection regulations in each of the countries where we operate. Customer complaint and feedback services are available through walk-in service and other centres, and via voice, email, social media and other digital channels</li> </ul>	

# Annual sustainability statements *continued*

## UN Global Reporting Initiative (GRI) 4 report for 2014 *continued*

Index	Description	Information (document or web link)	Page(s)
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Product and service labelling</b>			
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	<ul style="list-style-type: none"> <li>■ Please refer to the country website of each MTN operation for more information. The websites of our two largest operations are listed below for easy reference:                             <ul style="list-style-type: none"> <li>– <a href="https://www.mtn.co.za/Pages/Website_legal.aspx?termsID=327">https://www.mtn.co.za/Pages/Website_legal.aspx?termsID=327</a></li> <li>– <a href="http://www.mtnonline.com/sitemap">http://www.mtnonline.com/sitemap</a></li> </ul> </li> </ul>	
G4-PR5	Results of surveys measuring customer satisfaction	<ul style="list-style-type: none"> <li>■ IR: Assured results of customer satisfaction performance indicators (Net Promoter Score (NPS))</li> </ul>	<ul style="list-style-type: none"> <li>■ 52 – 53, 89</li> </ul>
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Marketing communications</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>■ In addition to complying with local laws, standards and codes of practice in each country where we operate, as a regulated organisation subject to oversight by national telecommunication regulatory authorities, we may be required to abide by specific additional requirements regarding marketing communications. For instance, in order for us to market voice or data products in order to grow our subscriber base, our quality of service may be subject to review by regulators before permission may be granted (in circumstances where quality of service may fall below pre-set standards or as agreed in regulatory licences)</li> </ul>	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotions, and sponsorship, by type of outcome	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Customer privacy</b>			
	Describe the approach to management and reporting of customer privacy	<ul style="list-style-type: none"> <li>■ Group positions on <a href="http://www.mtn.com/sustainability">www.mtn.com/sustainability</a> <ul style="list-style-type: none"> <li>– Human rights and ICT</li> </ul> </li> <li>■ SR: Sustainable societies – ICT human rights</li> </ul>	<ul style="list-style-type: none"> <li>■ 29 – 30</li> </ul>
G4-PR8	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	
<b>CATEGORY: Product responsibility</b>			
<b>ASPECT: Compliance</b>			
	Disclosure on management approach	<ul style="list-style-type: none"> <li>■ <a href="https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf">https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf</a></li> </ul>	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<ul style="list-style-type: none"> <li>■ Not available</li> </ul>	



## 06 ABOUT THIS REPORT

# About this report

## Scope, boundaries and integration

While we have integrated reporting on our environmental, social and socio-economic material risks, opportunities, and performance **IR** mainly to our investor stakeholders, we recognise the need for more detailed reporting to a broader set of stakeholders on some of these issues.

This report focuses on key developments during the year and discloses performance on the sustainability indicators most material to our stakeholders. It is also aligned to our business strategy that seeks to address the experiences of our customers with MTN, and the optimisation of processes, assets and human resources. This report marks our fifth year of integrated sustainability reporting.

This detailed MTN Group sustainability report covers the following countries in which MTN operates: Afghanistan, Benin, Cameroon, Congo-Brazzaville, Cyprus, Guinea-Bissau, Guinea-Conakry, Ghana, Iran, Ivory Coast, Kenya, Liberia, Nigeria, Rwanda, South Africa, Sudan, South Sudan, Swaziland, Syria, Uganda, Yemen and Zambia, as well as MTN Enterprise operations in Kenya and Namibia.

The following scope exclusions are noted:

- For the MTN Group sustainability report for 2014, Mascom Botswana and MTN Ethiopia have been excluded on the basis of indirect ownership holding and recent acquisitions, respectively.
- Quantitative data for MTN South Sudan is excluded due to the fact that we have not yet implemented operational sustainability reporting and measurement as this is one of the newer MTN territories.
- For Carbon Disclosure Project report results and activities summarised in the eco-responsibility section, exclusions are as follows:
  - Mascom Botswana, MTN Ethiopia, MTN South Sudan, MTN Syria (excluded due to energy and greenhouse gas data collection challenges associated with network management in the context of the broader macro-political situation)
  - MTN Group head office facilities in UAE, Dubai.

## Stakeholders

The target audience for this report is the stakeholders that have shown the most interest in MTN's management of sustainable business responsibilities, and include regulatory authorities, investors and shareholders, civil society and advocacy organisations, current and potential customers, media, and our employees. Please refer to the stakeholder engagement section in the MTN Group integrated report for more information **IR**.

## Data collection approach

Our reports are compiled using information sourced from a variety of internal reporting, data management and storage systems. Oracle human resources information systems, Hyperion, network management systems, risk, compliance, social and ethics and other committee reports, and the results of annual surveys are some of our key sources of our data.

Secondary data is obtained from external sources including industry-specific and sustainable business research reports, benchmark surveys and assessments of MTN's sustainability performance undertaken by external organisations.

## Exchange rate

All financial expenditures are reported in South African rand (ZAR), using the average annual exchange rate of ZAR11,28 to the US Dollar.

# About this report *continued*

## Determining material issues

Material issues are those issues that impact our ability to remain commercially viable and socially relevant to stakeholders. We determine material issues of importance to our sustainability by reviewing the issues most important to our stakeholders, and the impact of these issues on the achievement of our business objectives. Material issues are prioritised according to the scale and nature of impact on business operations, economic performance and specific stakeholder groups.

The Group follows the guidance of the sustainability standards and protocols set out in the previous section, in structuring a framework for selecting material issues and assessing our performance across the economic, social and environmental issues that most impact our business and our stakeholders. Guidance is also sought by referring to developments, reports, publications and work efforts of industry bodies such as GSMA and ITU.

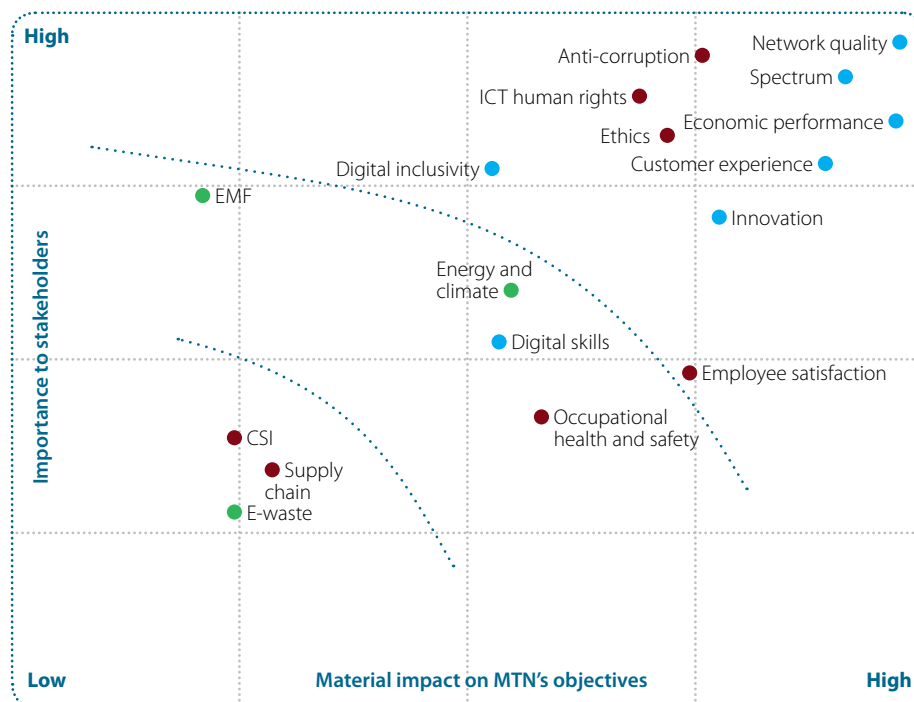
To determine the issues most material to MTN's sustainability each year, we take the following sources into account:

- Feedback from internal and external stakeholders that review the annual sustainability report.
- Engagement with external stakeholders via the addresses [sustainability@mtn.com](mailto:sustainability@mtn.com) and [investor.relations@mtn.co.za](mailto:investor.relations@mtn.co.za).

- Information gained through engagements with regulatory authorities, media organisations, civil society and community-based organisations, our customers, and general members of the public.
- Feedback from and engagement with the JSE SRI, the CDP, and MTN's investors, shareholders and research organisations that consult us or assess our responsible business performance.
- Information from third-party questionnaires and assessments of our publicly reported performance by university organisations and other third parties not commissioned by MTN.
- Our own internal review and research processes including industry, peer and global developments, and our risk and audit management processes.

Issues identified through this process are weighted during an internal materiality review. These issues are reviewed by the executive, and the Group social and ethics committee. We undertake this review periodically to ensure that we are responsive and can adapt to changing operating conditions.

Having considered all of the above, our material sustainability issues of focus for 2014 are set out below.














Key:

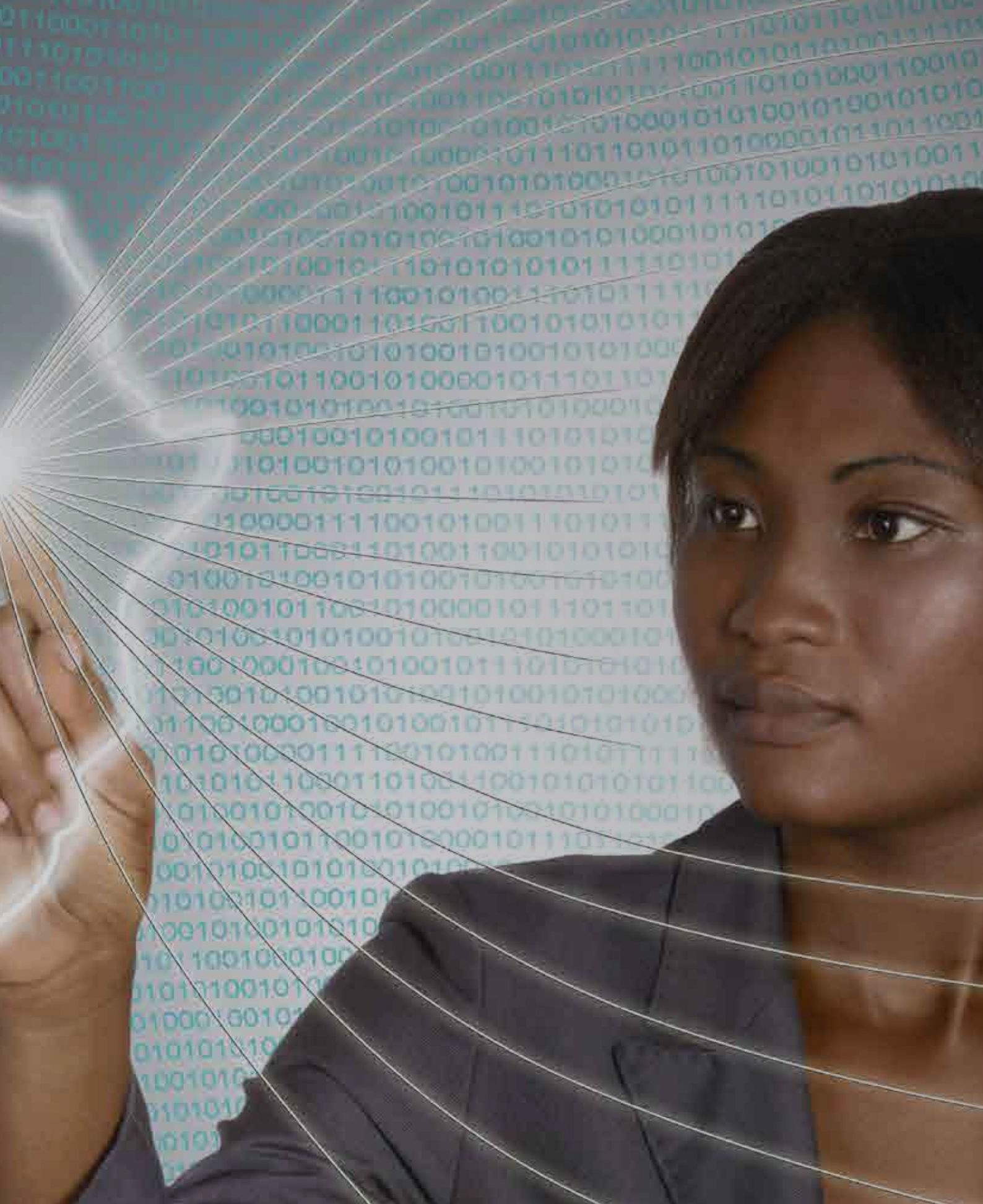
- Creating sustainable economic value
- Eco-responsibility
- Building sustainable societies



# About this report *continued*

## Where to find more information

Area of information	Where to find it
 Detailed sustainability reports and positions provide a high-level account of our sustainability strategy, performance, highlights and challenges	<a href="http://www.mtn.com/sustainability">www.mtn.com/sustainability</a>
 MTN Group Limited integrated report for year ended 31 December 2014	<a href="http://www.mtn.com/Investors/Financials/Pages/annualreports.aspx">www.mtn.com/Investors/Financials/Pages/annualreports.aspx</a>
 Sustainability case studies	<a href="http://www.mtn.com/sustainability/pages/case.studies.aspx">www.mtn.com/sustainability/pages/case.studies.aspx</a>
 MTN's environmental position	<a href="http://www.youtube.com/watch?v=4OrNwzddfag">www.youtube.com/watch?v=4OrNwzddfag</a>
 MTN's carbon disclosure reports	<a href="http://www.cdproject.net">www.cdproject.net</a>
 Link to Hoffman Report and Group chairman statements	<a href="https://www.mtn.com/PressOffice/MTNIran/Pages/MTNIran.aspx">https://www.mtn.com/PressOffice/MTNIran/Pages/MTNIran.aspx</a>
 Contact the Group sustainability manager	<a href="mailto:sustainability@mtn.com">sustainability@mtn.com</a>
 Contact the executive for investor relations	<a href="mailto:investor.relations@mtn.co.za">investor.relations@mtn.co.za</a>
 More information on MTN's M2M solutions	<a href="mailto:m2m@mtnbusiness.co.za">m2m@mtnbusiness.co.za</a>
 Please direct post to MTN Group sustainability or MTN Group investor relations as appropriate	MTN Group, Private Bag X9955, Cresta, 2118, South Africa
 MTN head office switchboard	+27 (0)11 912 3000



## 07 GLOSSARY

# Glossary

## List of terms and abbreviations

Term	Definition
3G	Third-generation internet connection
4G	Fourth-generation internet connection
B-BBEE	Broad-based black economic empowerment, a South African national initiative to enable economic participation for black South Africans
BTS	Base transceiver station
CDM	The United Nations Clean Development Mechanism allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries
CDP	Carbon Disclosure Project
CO <sub>2</sub> and CO <sub>2</sub> e	Carbon dioxide and carbon dioxide equivalent – see GHG
Convergence	Information and communication technology products and services combining voice and data
EASSy	Eastern Africa Submarine Cable System
EIG	Europe India Gateway (EIG) submarine cable
EMF	Electromagnetic fields or radio signals or waves, or energy that travels through space. See RF
GB	Gigabyte
GHG	Greenhouse gas; unless indicated otherwise, GHG emissions are made up of CO <sub>2</sub> , methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydro fluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF <sub>6</sub> ). The United Nations has identified these six gases as the greatest contributors to global warming. See CO <sub>2</sub> and CO <sub>2</sub> e
GJ	Gigajoules (energy)
GMPLS	Generalised Multi-Protocol Label Switching
GSMA	Global System for Mobile Communications Association
GPRS	General packet radio services
HSDPA	High-speed downlink packet access, part of the evolutionary path of 3G
ICNIRP	International Commission on Non-Ionising Radiation Protection: <a href="http://www.icnirp.de">www.icnirp.de</a>
ICT	information and communication technology
IFC	International Finance Corporation
ITU	International Telecommunications Union
King III	King III Code of Corporate Governance for companies operating in South Africa
kℓ	Kilolitres (diesel)
kWh	Kilowatt hour (electricity)
LEED	Leadership in energy and environmental design
LTE	Long-term evolution
MMS	Multimedia services
MPLS	Multi-Protocol Label Switching
MTR	Mobile termination rates
MW	Megawatt (electricity)
RF	Radio frequency – see EMF
SEACOM	Submarine cable linking south and east Africa
SME	Small and medium enterprise
SMS	Short messaging service
TEAMS	The East African Marine System submarine cable
UNFCCC	United Nations Framework Convention on Climate Change
WACS	West Africa Cable System
WHO	World Health Organisation



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