MTN Group Limited

Annual Sustainability Report for the year ended
31 December 2016

:: About this report

Scope, boundaries and integration

This report marks the seventh year of integrated sustainability reporting. This report provides more detailed information to our stakeholders regarding some of the environmental, social and socio-economic material risks, opportunities and performance set out in the MTN Group Limited integrated report (31 December 2016). It is aligned to our business strategy, which seeks to address the experiences of our customers with MTN, and the optimisation of processes, assets and human resources.

The MTN Group sustainability report covers operations in Afghanistan, Benin, Cameroon, Congo-Brazzaville, Cyprus, Guinea-Bissau, Guinea-Conakry, Ghana, Iran, Côte d'Ivoire, 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:
• Mascom Botswana is excluded from sustainability and Carbon Disclosure Project (CDP) reporting on the basis of indirect ownership holding.

www.mtn.com; www.mtn.com/sustainability; www.mtn.com/investors

Case study on www.mtn.com/sustainability

MTN Group positions on www.mtn.com/sustainability

GRI   UN Global Reporting Initiative

GC   UN Global Compact

CDP   www.cdproject.net

AFS   Annual financial statements

GR   Governance report

IR   Integrated report

RR   Remuneration report

TAX   Tax report

Icon reference

To make for easier reading, navigation and cross-referencing tools have been included to reference relevant pages within this book and supplementary reports on line.

• For CDP reporting, MTN Yemen, MTN South Sudan and MTN Syria have been excluded due to energy and greenhouse gas data collection challenges associated with network management in the context of the broader macro-political situation. Some MTN Group head office services are undertaken in United Arab Emirates, Dubai in leased office premises, and are deemed immaterial for CDP reporting.

Exchange rate

All financial expenditures are reported in South African Rand (ZAR), using the average exchange rate across January to December 2016 of ZAR14,63:USD1 (2015:ZAR14, 796:USD1).

Stakeholders

This report has been created for stakeholders that have shown the most interest in MTN's management of sustainable business responsibilities, and include regulatory authorities, investors, shareholders and analysts, civil society, advocacy and activist organisations, current and potential customers, the media, suppliers and our employees. Please refer to the sections on how we create value and our key stakeholder themes in the MTN Group Integrated Report for more information.

Sustainability standards and reporting

We use a combination South African and global standards, protocols and guidelines to report on how we address responsible business performance. These include the following reports available on the Sustainability and Integrated Report sections of our website:
• King Report on Governance (King III).
• JSE Social Responsibility Index (JSE SRI).
• United Nations Global Reporting Initiative (GRI 4). GRI
• Carbon Disclosure Project (CDP) Report. CDP
• United Nations Global Compact. GC

Data collection approach

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, social and ethics, risk and other committee reports, and the results of annual surveys are some of our key sources of data. Secondary data is obtained from external sources including industry-specific and sustainable business research reports, benchmark surveys and assessments of MTN's sustainability performance undertaken by external organisations.

Approvals

This report has been approved by the Group Social and Ethics Committee.

:: Contents

Our vision
To lead the delivery of a bold, new Digital World to our customers.

Our mission
To make our customers' lives a whole lot brighter.

Our values
• Leadership
• Innovation
• Relationships
• Integrity
• Can do

Our vital behaviours
• Complete accountability
• Get it done
• Active collaboration
• Complete candour

IGNITE
At the end of 2016 we launched our transformation initiative, starting with MTN South Africa and MTN Nigeria. IGNITE is about shaping the future MTN, by proactively introducing special measures to accelerate our business and financial performance.

:: Our approach to sustainability

Vision and focus areas

For MTN, sustainability refers to the protection and creation of economic value for our Company and our stakeholders through responsible environmental and social core business practices. To achieve this vision, we structure our implementation efforts by focusing on taking a materiality-based approach. Our material issues are classified in terms of three focus areas: creating sustainable economic value through digital inclusion and enterprise solutions addressing social and environmental imperatives; ensuring we take responsibility for reducing our environmental impacts through our eco-responsibility focus; and helping build sustainable societies through addressing matters of ethics, anti-corruption, human rights and responsible labour practices.

Determining material issues

Material issues refer to matters that have an impact on our ability to remain commercially viable and socially relevant to our stakeholders. The material issues important to MTN's sustainability are determined 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 interests of our stakeholder groups.
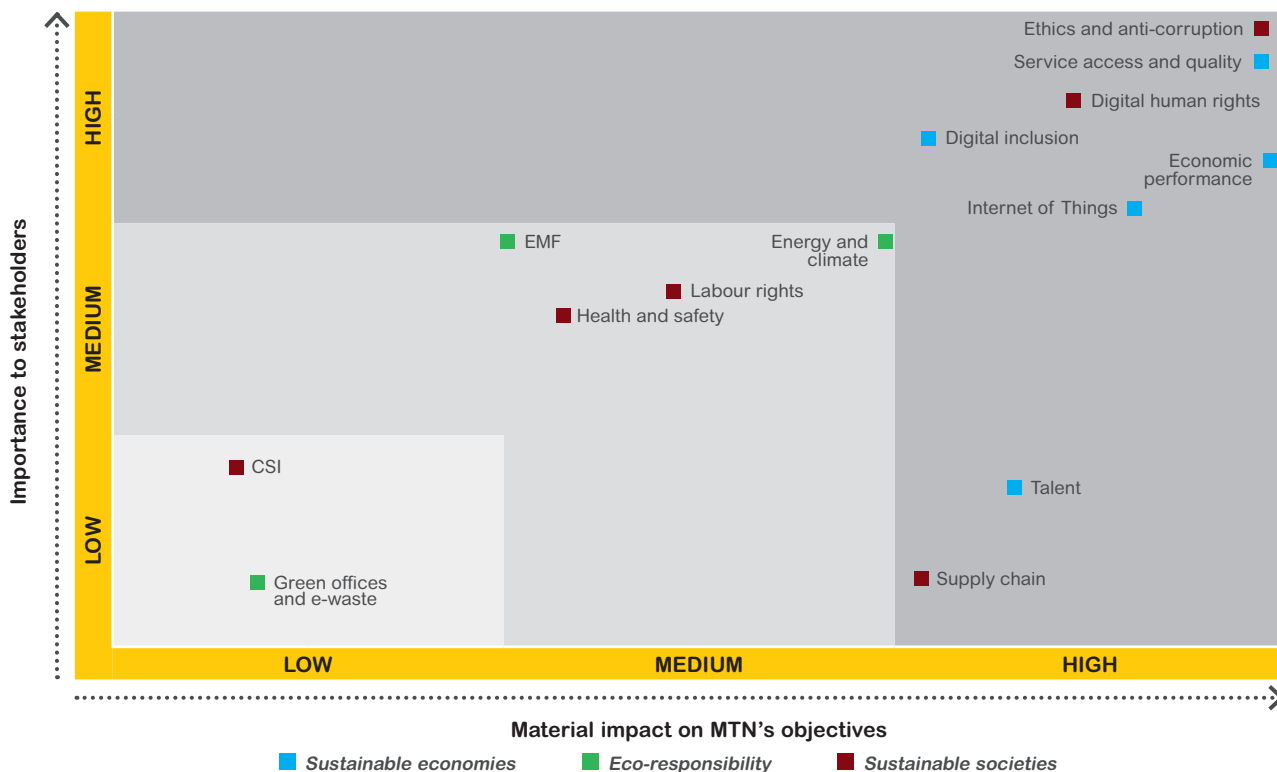
The sustainability standards set out in the previous section, along with guidance from reports, publications and work efforts of organisations such as the United Nations, GSMA and ITU are used to structure our integrated reporting framework.

To determine the issues most material to MTN's sustainability, the following sources are considered:

- Feedback from all stakeholders that review the annual sustainability report.
- Engagement with all stakeholders through the e-mail addresses sustainability@mtn.co.za and 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 engagements with the JSE SRI, the CDP, MTN's investors and financial analysts, 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.
- Feedback from internal review and research processes including industry, peer and global developments, and risk and audit management processes.

Issues identified through this process are assessed during internal materiality reviews. These issues are reviewed by the executive, the Group Social and Ethics Committee and the Group Board. We undertake this review periodically to ensure that we are responsive and can adapt to changing operating conditions.

Having considered the material issues, our material sustainability issues of focus for 2016 are set out on the next page.

Material impact on MTN's objectives

■ *Sustainable economies*   ■ *Eco-responsibility*   ■ *Sustainable societies*

	Issue	Where to find information		Issue	Where to find information
■	Ethics and anti-corruption	I R S R GRI G C	■	EMF	S R GRI
■	Access and quality	I R GRI	■	Health and safety	S R GRI
■	Digital human rights	I R S R GRI G C	■	Labour rights	S R GRI G C
■	Economic performance	I R GRI 🌐 www.mtn.com	■	Talent	GRI
■	Digital inclusion	S R GRI	■	CSI	GRI 🌐 www.mtn.com
■	Internet of Things	I R S R GRI 🌐 www.mtnbusiness.com	■	Supply chain	GRI
■	Energy and climate	I R S R CDP GRI G C	■	Green offices and e-waste	S R GRI G C

Governance

The MTN Group board dedicates standing attention to sustainability considerations, risks, opportunities, ethics, innovation and creation of stakeholder value within the business' operating context. The board has delegated responsibility for the Group's environmental, social and socio-economic development performance to the Group Social and Ethics Committee, and this responsibility is formally incorporated in the Committee's terms of reference. Quarterly ethics, sustainability, stakeholder and corporate social investment (CSI) reports to the Committee ensure the MTN Group Chief Human Resources and Corporate Affairs Officer accounts for the business's sustainability risks, opportunities and performance. This is a fundamental component to ensuring sustainability requirements are driven by and within core business functions, and integrated within planning and management cycles. Sustainability, stakeholder relations and CSI functions are managed by dedicated functions within the Group Corporate Affairs department, which is managed by the Executive for Corporate Affairs. Within our operations, stakeholder relations and CSI functions are managed by Corporate Services. Sustainability functions are fulfilled by Corporate Services and by other functions including networks and information technology, facilities management and others as required.

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Overview

- Despite global uncertainty and the challenges faced by MTN, we are optimistic about enabling sustainable growth.
- By focusing on the organisational, system and process requirements needed to meet our strategic objectives, we have enhanced our ability to bring the benefits of the digital economy to our markets.
- Both MTN and our stakeholders have realised some of these benefits through ICT-enabled solutions that generate commissions, connect people, improve economic participation and enable social development.
- Cross-sectoral partnerships, catalysing local innovation and offering mobile technology solutions that address some of the service access and affordability constraints in our markets help us create shared societal value.

:: Group executive chairman's statement

Phuthuma Nhleko *Group executive chairman*

We are focused on
building a sustainable future

for MTN and our stakeholders.

Like 2015 globally, 2016 again proved to be unexpected, interesting and disruptive. A clear change in public sentiment was demonstrated through political events worldwide, and this will continue to create social and economic uncertainty for some time to come. The blurring of corporate responsibility boundaries, and people's demands that companies generate social value in addition to traditional investment returns, job creation and philanthropic support, are now standard matters of consideration for corporate management.

Information and communication technology (ICT) has become increasingly central to social evolution and global development. Technologies such as artificial intelligence, digital currencies, crowdsourced innovations, 3D printing and the Internet of Things (IoT) are changing industrial and economic ecosystems. As the digital economy evolves, these opportunities are also forcing new ways of thinking around how people's spaces and assets are used, how people express their views and what talents are needed in the data age.

MTN has also faced a challenging few years. Global economic conditions have negatively impacted MTN in spite of the significant growth of the communications industry in our markets. Regulatory uncertainty, political turmoil, maintaining service quality at the levels required for sustaining the explosive growth of data services, and helping to reduce the digital divide while ensuring service pricing meets infrastructure investment requirements remain challenging. While some of the seismic changes posed by technological innovation creates uncertainty and increases risks, we are, however, excited about the possibilities that innovation will enable for society's future, and we have been working extensively to prepare our business for the digital world.

Within our markets, the demand for accessible, affordable and context-specific mobile technology solutions continues to drive innovation and shape our operating conditions. We know that ICT can more easily enable the realisation of the UN's Sustainable Development Goals. A number of our operational objectives, partnerships, innovation processes and investments in platforms, capabilities, systems and organisational structures have been designed to ensure we continue to make a sustainable difference. Among the solutions that we believe are contributing towards more inclusive markets are our micro-insurance and mobile financial services, solar-powered charging solutions, animal tracking and agricultural advisory services, smart water and energy monitoring products, and access to digital education and lifelong learning services, among others.

With the scale and scope of challenges and opportunities facing the world, cross-sectoral partnerships are fundamental to creating shared value. We embrace partnerships that help us bring new opportunities and enable choices for previously excluded communities. We ease people's searches for employment in Nigeria, connect villages digitally in Congo-Brazzaville, enable access to health and travel services in Afghanistan, and facilitate ride-sharing services in Iran. These and many more mobile-enabled solutions ensure that we extend the benefits of the digital economy to the communities in which we operate. We are pleased to support the development of digital solutions from innovators who are no longer excluded from opportunities due to a lack of access to computers or connectivity. MTN's Solution Space, Mind2Machine and Jumia Entrepreneurship challenges, and the TadHack Decoding Africa event, catalyse the availability of solutions to solve local problems, such as effective medical data sharing and fuel management applications to mitigate the problem of unreliable or costly access to services in some of our markets.

As we enjoy the growth of our business and witness exciting social evolution and economic developments in the digital age, we also face new types of risks. To mitigate this, we have repositioned our organisational structures, increased oversight and planning capabilities at all levels, including through a number of senior management appointments, and invested over R35 billion in capital investments, helping us close some of the strategic gaps that may hinder us in growing sustainably. By focusing on regulatory affairs, public policy management, and ongoing implementation of ethics management across our business, we have reaffirmed our commitment to conducting our business responsibly and in compliance with all applicable laws, regulations and the terms of our operating licences.

Technology connects people across time and space, and has the power to change lives and transform societies. Despite the lag in digital connectivity between the emerging markets in which we operate, and other regions, we are well placed in our markets. In the countries in which we operate, demand for internet connectivity through mobile phones, rather than computers, is the norm. Governments are keen to ensure digital connectivity, to enhance the growth of livelihoods, economies and ensure developmental outcomes. We continue to engage our stakeholders and partners in this respect, to achieve our mutual aims of sustainable growth and a digitally-inclusive society.

03

Overview

- We offer mobile financial services, health, education and other digital products that help narrow the digital divide between our markets and other, more developed markets.
- MTN's mobile money services have evolved from basic transfers and micro-payment services to savings and loan products.
- We actively encourage the development of digital solutions that meet the specific needs of our markets, ensuring we create shared value with the communities in which we operate.

We develop

new, and adapt existing,

digital solutions to create greater socio-economic and environmental value.

Rapid advances in information and communication technologies combined with innovation in the digital eco-system are creating in a shift in the manner in which people think, live, communicate and behave. According to the *World Development Report 2016*, more than 60% of the world's population is offline and unable to participate in the digital economy. Digital solutions, including affordable communications, innovative use of mobile applications to meet daily needs, and use of smart solutions have an important role to play in transforming livelihoods and realising social mobility, economic growth, environmental impact management and other benefits.

Our operating environment provides us with an invaluable opportunity to extend opportunities to people for them to enjoy the benefits of the digital economy across 24 MTN countries. People in our markets generally have more mobile devices and access to communication networks than access to financial, electrical, healthcare and other services. We work to offer innovative digital solutions that respond to the particular needs, circumstances and constraints faced by customers within the markets in which we operate. These are solutions which can be easily and affordably accessed on mobile devices. Through our partnerships and collaboration with entrepreneurs, we develop innovative products that are customised to meet and suit the needs of our customers across our operations. Our Small to Medium Enterprise (SME) solutions are developed to meet the needs and requirements of enterprises considering the role that SMEs play in the development of the economy, the creation of jobs and overall contribution to the growth of local communities.

Objectives	Progress	Results
• Extend access to mobile financial services through lending, saving and increased access to micro-insurance services	◗	• Services have been launched in a number of our markets in 2016, and will continue to be rolled out in 2017
• Launch solutions that meet secure mobile application needs and cybersecurity needs of enterprise customers	◗	• Security, vulnerability assessment and similar enterprise solutions were launched in Botswana, Cyprus, Guinea-Conakry, Uganda, South Africa, Namibia, Kenya and Rwanda
• Focus on IoT solutions that meet some of Africa's environmental concerns	◖	• Enhancing existing fleet, water and electricity management solutions, and developing new solutions for farming requirements

◖ *Recently started*   ◗ *Partially complete*   ● *Complete*

Read more

Case studies
https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Case-studies.aspx

UN GRI 4 Report
https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Report-archive.aspx

:: Sustainable economic value continued

Digital inclusion

Mobile financial inclusion

A study by McKinsey indicated that more than 326 million people living in sub-Saharan Africa do not use banks. Over 50,4 million registered MTN Mobile Money users (up 33% from 2015) in 15 countries use our services. Underlying these numbers is the story of the value our customers place on the ease with which MTN Mobile Money enables payment for and receipt of services for daily living requirements in a more affordable, safer, immediate and convenient way, using text-based services and applications. This allows people to enhance their economic participation and access more services.

In 2016, MTN's mobile money services evolved from offering basic transfers and micro-payment services to savings and loan products. In Uganda, customers can now remotely open a MoKash account using their phones and access micro-saving and loan services. Loans offered are subject to loan limit assessments. Savings also earn interest for mobile money users. In Ghana over GH₵34 million (approximately US$7 508 005) in interest was paid to subscribers and agents in 2016. Mobile lending services are also available in Zambia and we intend to offer mobile savings and lending to other regions. For many of our customers, MTN Mobile Money offers to access to formal financial services for the first time.

Instant digital international remittances to MTN Mobile Money wallets is available as a service in Cameroon, Côte d'Ivoire, Uganda, Rwanda and Zambia. This allows people living on other continents to send money to people in Africa. Currently MTN also offers regional remittance services between multiple neighbouring and regional areas and is participating in 28 digital remittance corridors between countries in Africa. As needs arise, people are transmitting smaller amounts more regularly rather than transferring larger lump sum amounts on a scheduled basis, fuelling the increased use of remittance services.

Mobile phones act as cashless wallets. Straight-2-Wallet services were launched in Uganda and Zambia in partnership with Standard Chartered Bank, allowing companies to make payments to MTN Mobile Money wallets, whether individuals currently maintain a bank account or not.

Parents in Guinea-Bissau can now pay school and university fees using their Mobile Money wallets, ensuring people no longer have to travel long distances to make payments in person, and reducing theft losses experienced by educational institutions. A pilot project testing a service enabling payment of school fees using MTN Mobile Money commenced in Swaziland and, in terms of the e-government strategy, other opportunities to use Mobile Money for improving access to services may be available in future. University fees can also be paid using our Mobile Money services in Congo-Brazzaville, Cameroon and Ivory Coast. Zambian farmers make Mobile Money payments to settle wage bills. Supermarkets and grocery outlets are among the key sectors accepting MTN Mobile Money to settle purchases in Swaziland. Air travellers between Uganda and Kenya can now pay for their Kenya Airways tickets using their Mobile Money accounts. In Iran, customers can purchase content from online app stores and make payments using their MTN Irancell accounts. This service has recently been launched for Myket android apps, and we plan to extend this to other app stores in future.

In support of Nigeria's cashless economy initiative, MTN is one of four mobile operators, along with 18 financial service organisations, offering mCash, which supports low-value purchase requirements between customers and merchants. Transactions below NGN10 000 do not attract any charges. In order to deepen financial inclusion of women in Nigeria, Diamond Bank and MTN Nigeria have enhanced the Diamond Y'ello account through simplified account opening, transaction and savings activities conducted on mobile handsets. Supported by the Bill and Melinda Gates Foundation, this initiative hopes to improve inclusion of women through convenient access to digital financial services. Pilot testing of mobile cash services in Sudan have also recently commenced. To support

To assist **360** **head porters** to grow their businesses, **MTN Ghana deposited seed money** into their Mobile Money Wallets.

Digital inclusion continued

the need for access to food, nutrition or basic emergency aid requirements, the UN's World Food Programme leverages MTN Mobile Money in Cameroon, Congo-Brazzaville, Guinea-Bissau and Liberia to disburse social and emergency aid, improving coping abilities and contributing towards community resilience. Some disbursements are also planned for 2017. More information is available on the case studies section of our website.

In 2016, our tap-and-pay services, which allow customers to use MTN Mobile Money to pay for purchases in stores by tapping cellphones on the store's point of sale device, was launched in Rwanda and Ivory Coast. This service enables users to make NFC- based payments in grocery stores, restaurants, super markets, commercial malls and for numerous commercial transactions. MTN Mobile Money also enable businesses to accept digital payments, thus accelerating the growth of e-commerce in Africa.

The MTN Mobile Money application (app), available in seven countries, is a zero-rated service, allowing customers to freely download and use the app without paying data charges. The app eases transactions and usage by ensuring customers no longer need to remember the codes required for each service. Security is a fundamental aspect of ensuring confidence in the financial system, and MTN Mobile Money is ISO 27001:2013 certified.

With low levels of income, insurance, education and other factors including accessibility to traditional financial services, insurance penetration levels are very low in a number of our markets. Through our partnership-based solutions, we are working to increase access to affordable micro-insurance solutions in a number of countries. We launched MTN aYo in Uganda in 2016, with Ghana, Rwanda and Zambia to follow in 2017. Available to all MTN customers who are registered MTN Mobile Money users, customers can enjoy life insurance, hospital cover due to accident, and payment of school fees for children who have lost their parents. Insurance can easily be purchased by dialling short codes on the mobile handset, and no medical checkups are required. In Zambia we have partnered with Hollard to provide an education insurance service. In Nigeria we provide affordable business insurance solutions to SMEs through MTN Y'ello Biz.

Over

3.6 million

customers benefit from

MTN's Micro insurance services.

We have also launched an insurance automation service for insurance companies to move from manual field data capture to a more automated process, to real-time visibility of field activities, increase operational efficiency and staff productivity, and reduce operational costs in Nigeria.

Mobile Money and micro-insurance products are improving access to financial services and enhancing economic inclusion, which is essential in our markets. We continue to work towards increasing access to remittance services and micro-loans, and enhancing savings rates by offering lower cost, simple, convenient and accessible digital solutions.

mHealth

Our mHealth products are developed to provide affordable and convenient access to healthcare services. These products are available in Afghanistan, Cameroon, Cyprus, Ghana, Liberia, Nigeria, Rwanda, Uganda, Sudan, South Africa, Yemen and Zambia. MTN and the Sudanese Ministry of Health are working together to improve the effectiveness of national healthcare services. In 2017, a mobile application will be available to provide information to ambulance drivers and paramedics on the availability of beds in the nearest hospitals. We hope to assist emergency personnel to reduce search times, potentially resulting in the reduction of loss of life.

In Cameroon, we signed an agreement with the Ministry of Public Health to provide people with access to a health assistance platform. This location-independent service enables communities to contact medical specialists or hospitals, and to access health tips. A similar partnership in Ghana allows people to access medical information on maternal health, family care and nutrition in six local languages. Dial-a-Doctor services were launched in Liberia to support the need for instant consultations, diagnosis and advice in a country where access to medical services is hampered as a result of the relatively low number of doctors available to support patients.

Digital inclusion continued

MTN and Momentum's Hello Doctor service enabled over 25 000 customers in 10 countries to access preventative care services by connecting communities with doctors, who can provide information in order for people to make informed decisions about their health and wellness. An interactive platform provides instant access to personalised health, wellness and medical information. The information provided is specific to the individual and is reviewed and approved by medically trained specialists. In Afghanistan, MTN Tele-Doctor gives communities access to healthcare specialists and services. In Yemen, we provide medical information through text services. Customers in South Africa have access to MTN Care Connect, a 24-hour service line providing healthcare information and medical education. In Ghana, we launched a range of wearable Garmin health activity tracking wristwatches, aimed at improving health and encouraging a healthy lifestyle. The devices help monitor and track daily activities and capture health data such as heart rate, number of steps taken, and sleeping patterns. We plan to introduce additional health solutions in 2017, including services to support maternal and child care.

mEducation

Given the relatively low levels of affordability and access to education in many of our markets, we are committed to improving the capacities of governments, policy-makers, teachers and students by extending access to affordable, quality educational content and services through the digitisation of the education system. In 2016, in Ivory Coast, we implemented MTN EasyTeach for students, teachers and the general public. MTN EasyTeach has two components: an application business software solution for teachers, and a public website offering learning spaces for teachers, students and parents. The software component for teachers is available offline on their laptops. This enables teachers to prepare and improve courses, evaluate progress of school programmes, calculate score averages, and assists with test and exam assessments. By digitising teachers' work activities and projects, they can optimise their time and resources and improve on the services offered. The student component of MTN EasyTeach allows students to share information on homework and assignments.

In Cyprus, the MTN Read application allows students to access e-books with features that include note taking and information sharing with school mates and teachers. MTN Read contains 70 e-books covering the curriculum of primary and secondary school subjects, and is installed on 15 000 tablets. MTN Cyprus contracted with the University of Cyprus to promote digital education, and has developed an online game, the iWhiz, a source of information for students with fun interactive quiz games that students can use with peers to challenge each other on a number of categories, including Internet safety, technology and computer science, and general knowledge. To extend Internet connectivity for Ghanaian students, MTN and Ericsson are working towards the provision of a fibre-optic network infrastructure and Wi-Fi for residences at the Kwame Nkrumah University of Science and Technology. In Swaziland we re-launched the MTN Educare radio programme to help secondary school students to improve their performance in Mathematics and Science through the use of social media. Students can ask questions and content is available in the local language. The programme also facilitates the establishment of study groups which helps students to learn and share information.

In 2016, we adopted a zero-rated data approach in South Africa, in order to support the need for affordable, accessible digital education solutions nationally for all ages, and to foster the attainment of the government's goal of providing universal access to broadband services. For primary and secondary school students whose parents are MTN customers, the d6 School Communicator app facilitates seamless communications with schools. Approximately 340 000 users access news, calendar events, images, homework and links to useful resources. Teachers and school administrators upload content through a simple web-based control panel, and parents can access content on their mobile devices. Following public university student concerns at the increasing unaffordability of tertiary education, MTN ensured that students are able to freely access online curricula without incurring data costs. To support life-long learning, online training courses through the MTN Academy, which are usually available to employees only, have been made available at no cost to MTN dealers. In 2016 close to 283 000 courses were completed by our dealers in South Africa and Nigeria.

These initiatives extend MTN's existing efforts, which include the provision of zero-rated Wikipedia access in Uganda and South Africa, along with access to Regenesys Business School's business skills and knowledge content, and MTN Nigeria's Education Bundle which offers laptops preloaded with Mathematics, English, Science and other content for children.

Digital inclusion continued

Powering communications

According to the GSMA, across Africa only 42% of the population has access to reliable, affordable power, while 75% have mobile phone access. The lack of power hampers the use and widespread growth of digital connectivity services. To mitigate this, MTN offers access to affordable, solar-powered phone charging solutions in a number of our markets. In South Africa, World Panel's Sunstream portable solar charging device and free airtime package was launched in a limited number of MTN stores in 2016. We expect to roll it out across the country over time. The solution was developed for customers who view their feature phones as a lifeline, but lack access to power to keep their devices charged.

In Nigeria, the MTN Lumos Smart Solar solution was also launched in 2016. This enables residential and small business customers, healthcare facilities, community buildings and schools to substitute their use of batteries, generators, and other often dangerous and inefficient sources of power with solar power to lights, cellphones, fans, PCs or laptops, radios, TVs and other small electronic devices, at all hours. Based on a pay-as-you-go model, Small and Medium Enterprise (SME) customers and individual users can lease to own this solution over a period of five years, and pay back small amounts using their MTN airtime account. These solutions extend similar solar-powered charging solutions available in Uganda and Rwanda, which allow customers to access and pay for their power consumption using MTN Mobile Money. Such solutions have greatly impacted communities, allowing children to study for longer hours at night; increasing the number of small enterprises that earn incomes by offering solar-powered charging services, help small businesses operate during night times, reduce health risks associated with kerosene and battery use, etc. Quantitative information can be located in the case studies section of our website.

Communication affordability

Low-income groups are often excluded from leveraging the socio-economic and other benefits of digital innovation because they cannot afford internet-enabled phones and devices. To address this problem in our markets, affordable MTN-branded smart phones and devices have been available since 2014.

These devices enables customers to access basic services such as application downloads and social media platforms. In 2016 we made available approximately 400 000 smart phones in Cameroon, Nigeria, Congo and Liberia. To increase smart phone accessibility, we also partnered with Samsung and Standard Chartered Bank to offer micro loans for purchases of smart phones in Nigeria and Zambia. This financing solution is specifically suitable for our SME customers who generally purchase phones in bulk for their staff.

MTN's smart phones range in price between

US$27 and US$50.

In Iran, the introduction of multiple SIM cards for single account holders will allow mobile users to optimise their cellphone packages, share data packages, manage costs more effectively, allow users to separate business from personal communications if they wish, and enable customers to manage multiple devices including cellphones, tablets and connectivity devices from a single account. Sponsored data services were made available in Ghana in 2016, enabling companies to pay for data usage by customers who use some of their services. Customers can browse the web, stream data and use applications without their data accounts being depleted.

Transforming enterprises

Internet of Things

The Internet of Things (IoT), including smart devices, Machine-to-Machine (M2M) and cloud-based solutions, enables a wide range of industries to connect networked devices that exchange information, perform actions and respond intelligently to the environments without direct human intervention. This transforms devices into intelligent assets offering a range of possibilities to improve business efficiency, performance, effectiveness, accuracy, and provide other economic benefits.

Operating on existing MTN networks and infrastructure, our IoT solutions include enterprise mobility management platforms, vehicle management and asset tracking, fuel and utilities management, connectivity, and security solutions. Through our partnerships, we have explored opportunities that expand our range of value-adding solutions beyond the provision of connectivity services. These include agricultural solutions allowing rural farmers to use technology efficiently to maximise crop yields; animal tracking and anti-poaching initiatives; and health solutions which increase efficiency and medical support to patients in remote areas. A number of our IoT solutions contribute to environmental and societal value and are aligned to the United Nation's Sustainable Development Goals.

National and trans-continental operations in Africa face the challenge of easily and affordably monitoring and tracking of the movement of their vehicles. MTN's fleet management solutions can help track goods in transit, monitoring vehicle and driver safety, increase reliability and efficiency of fleets, and improve fuel usage, route planning, etc. Efficient fuel use is associated with reduced greenhouse gas and other toxic air emissions, and improved cost management for vehicle owners. Vehicle tracking location solutions in South Africa and location and speed regulation solutions in Nigeria are complemented by similar solutions implemented in Uganda and Cameroon in 2015. In 2016, our fleet monitoring solution was extended to Uganda, Benin, Zambia and Ivory Coast, and we plan to extend this to other countries such as Botswana, Ghana, Namibia, Swaziland and Zambia in 2017.

IoT solutions can easily be adapted to support living systems. Livestock herdsmen face a number of challenges, including locating their cattle, minimising loss and avoiding conflict in land use due to the impact of grazing on farmlands. In Nigeria, we launched an animal identification management system (AIMS) to monitor the location of cattle, send emergency alerts to authorities in cases of distress, and support the creation of grazing areas separate from farmlands though geo-fencing using solar-powered GPS technology. Over 5,000 Radio Frequency Identification (RFID) cards containing owner data have been ordered by veterinarians and owners for injection into livestock.

Through a web portal, unique identifiers by epidemiological unit or group enable farmers to follow both individual and groups of animals during all stages of life and back to their point of origin. Passing an RFID scanner over animals that have been tagged provides immediate data, helping establish ownership, reduce theft risks, and improve the ability of authorities to return recovered animals to their rightful owners. AIMS also enables verification of animals before sale and supports veterinarians and inspectors in their efforts to surveil and control diseases. Initial stakeholder responses have been positive, confirming that AIMS can play an important role in resolving various known livestock issues such as rustling, exportability and traceability.

The reality of wildlife extinction is a matter of concern to us, and the IoT is a vital technology that can play a role in fighting poaching and disease tracking, among other vulnerabilities. With IBM and Prodapt, we piloted a tracking solution to stop rhino poaching at Welgevonden, an animal reserve in South Africa. Rhinos have been particularly impacted by illegal wildlife product trade. A proof of concept solution that includes the installation of network links, application development and fitting tracking and monitoring units to 20 rhinos took place towards the end of 2015 and early 2016. When rhinos move out of protected areas or close to tracking hotspots, rangers and authorities are instantly alerted and can manage the situation rapidly.

:: Sustainable economic value continued

Transforming enterprises continued

Farmers, middlemen and exporters in Guinea-Bissau were able to use **MTN's short-code service** to receive real-time information on cashew trading, allowing them to

optimise quantities

and obtain better prices.

The ability to improve resource efficiency in a climate-stressed world can be enabled through the use of smart devices. We successfully concluded a smart water-metering proof of concept service in South Africa. This solution enabled automated gathering of utility meter data through sensors installed on meters to enable customers to monitor their water consumption, improve consumption efficiency and identify water pipeline leakages in real time. It also enables the reduction of fault probabilities and operating expenses associated with faults and water losses. We hope to deploy a narrow broadband IoT (NB-IoT) water metering solution commercially in South Africa in 2017. NB-IoT solutions connect devices requiring long battery life in remote areas by improving the range of services and efficiencies that can be enabled through cellular IoT connections.

Following successful proof of concept tests in 2015 and 2016, we also launched a smart energy metering solution in South Africa and Cameroon. This solution is primarily targeted at enterprises and public sector consumers, enabling users to monitor their energy consumption, manage costs, allocate scarce energy resources in an efficient manner, and potentially reduce indirect greenhouse gas (GHG) emissions. Cost efficiency and GHG reductions are potential benefits for enterprises using MTN's voice conferencing solution, which enables businesses to conduct meetings remotely in Ghana, Kenya, Nigeria, South Africa, Uganda and Swaziland.

Our smart solutions extend to the disaster management and home management solutions. In Iran, MTN's Smart City product helps authorities and rescue teams respond to crises and natural disasters rapidly. A wireless LTE broadband service enables communications when mobile networks and basic infrastructure services are unavailable. We are also currently developing a Smart Home solution which will allow the use of mobile devices to remotely manage some domestic services including security and access control, water and energy consumption, and temperature control.

Innovation and emerging enterprises

In developing regions, stimulating innovation to meet local requirements within the opportunities and constraints posed in these markets, and supporting the growth of small enterprises, are critical aspects of economic inclusion, job stimulation and social development. By specifically focusing on context and needs-based solutions designed to meet the affordability, connectivity, efficiency and management needs of SMEs, we can help these businesses to thrive in challenging environments and compete with larger businesses. For example, our Business Easy Accounting solution, launched in 2016, enables SMEs to automate their manual processes, by improving their management of financial and supply management activities, such as quoting and invoicing, payslip generation and customer communications in an affordable and efficient manner.

In Cameroon we partnered with the Small and Medium Enterprises Promotion Agency (APME) in order to support newly-created SMEs, and to improve SME management through ICT-enablement. The MTN SME Value Pack, which includes our bundled website, data access facilities, professional e-mail addresses and mobile phones at a discounted rate, assisting SMEs to become more competitive, was launched in Kenya and Nigeria. We also launched The Marketplace in Nigeria, with a similar objective of transforming the businesses of SMEs using digital technology and services. The solution incorporates the MTN Y'ello Directory, which was previously available to assist SMEs in freely listing their businesses. It incorporates an e-commerce sales platform, supports freelancers who wish to offer their services and creates a community for

Innovation and emerging enterprises continued

SMEs. Also available in Nigeria is MTN's MyOffice solution, which helps SMEs grow in a cost-effective manner by enabling access to services including conference calling and closed user group voice services, fixed and mobile broadband bundled with devices, web development and hosting services and other collaborative working solutions. Our recent offering of cloud storage solutions for SMEs in Cameroon, Ghana, Rwanda, Swaziland, Ghana and Uganda enable small enterprises and their suppliers to safely store important documents. Customers are able to pay for the service using MTN Mobile Money.

Supporting startups, stimulating innovation and helping improve the skills and capacities of entrepreneurs is an important focus for MTN, in order to ensure that locally relevant digital solutions to national issues can be developed and sustained. Our digital entrepreneur programme shares information with entrepreneurs on the challenges and opportunities experienced in the current digital economy, and showcases the solutions and services available through MTN business's partner ecosystem. In Zambia, MTN and Bongohive's technology and innovation hub has created a platform to support young entrepreneurs to develop innovative ideas that will address the challenges to faced by emerging markets.

In 2016 we also initiated the Digital Entrepreneur Masterclass. The Masterclass empowers entrepreneurs and SMEs to compete effectively and grow sustainably in the digital business, through knowledge sharing on the challenges and opportunities available in the digital economy, further allowing MTN to source future potential partnerships.

The **MTN Jumia Entrepreneur Challenge** was held in

13 countries, for young entrepreneurs in

60 universities.

Competitive innovation challenges enable the best of entrepreneurial spirits to emerge. The MTN Business Mind2Machine Challenge, first launched in 2015, encourages entrepreneurs to share knowledge and best practices in the IoT domain. The inaugural MTN Jumia Entrepreneurship Challenge held in 2016 encouraged students to develop innovative digital ideas that could solve a specific problem uniquely faced by emerging countries. For example, the time lag between patient tests being conducted and results made available for diagnosis and treatment is a common problem in many countries. Information is largely shared through manual processes including physical file transfers by couriers. The winning solution is an application that allows laboratories, doctors, hospitals, pharmaceuticals and other medical services to access and share information immediately, allowing faster diagnosis, response and treatment times.

04

Overview

- We are developing IoT-based solutions to reduce negative environmental impacts.
- As we outsource our network sites, we encourage our tower management partner companies to improve energy efficiency and help MTN manage Scope 3 GHG emissions.
- We continue to make good progress in reducing our use of paper, water and other resources and are improving our waste management practices.

:: Eco-responsibility

We strive to be **efficient** and **prudently**

use **natural resources in our operations**.

MTN operates in some of the most vulnerable areas in the world. We recognise that our operating countries have often limited resources to adapt and cope with environmental impact. We continually work towards mitigating our carbon footprint and resource consumption through efficiencies. We recognise the role that ICT solutions have in assisting communities to mitigate and adapt to environmental impact, and elaborate on some of the digital solutions we have developed to support environmental and societal imperatives in the section on transforming enterprises.

MTN's material environmental factors are primarily from the consumption of energy resources for our network, technical and office facilities. Other material impacts are from the set-up, management and decommissioning of network sites and other large infrastructure facilities. However to an extent, as MTN continues to sell off some technical facilities to tower management companies, our impact is transferred. Other environmental impacts include the use of resources in office operations including paper, water and similar resources for building services. As a consumer and supplier of handsets, laptops, tablets and similar digital devices, and through our use of electronic and electrical network and other equipment, we directly or indirectly generate waste when products reach the end of their useful lives. We apply the precautionary principle towards environmental management, and our operations are compliant to national laws and regulations. Some of our operations have attained or are working towards ISO 14001 certification.

Objectives	Progress	Results
• Finalise Group Environmental Policy to replace or complement existing country operation policies		• Gap analysis to existing policies in various MTN countries was completed to inform overarching Group policy, but the policy was not finalised in 2016
• Encourage tower management companies to manage MTN's Scope 3 emissions		• Tower management partners supply quarterly carbon tracking reports to MTN, and are increasing their investments in energy efficiency and low-carbon solutions
• Commence phase 2 of Green Office Programme, and extend to two more premises		• Increased number of initiatives were selected by the 12 MTN countries implementing the programme. MTN Group offices in Parktown (South Africa) and Dubai also commenced implementation of the programme

Recently started *Partially complete* *Complete*

Read more

Networks and the Environment	https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2015_Networks_and_Environment.pdf
Environmental management system Guidelines for e-waste companies	https://www.mtn.com/en/mtn-group/sustainability/eco-responsibility/Pages/Eco-Responsibility.aspx
Social and ethics statement	https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Group_Social_and_Ethics_Statement.pdf
Carbon Disclosure Project Report	https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Report-archive.aspx
Reducing GHG emissions	https://www.mtn.com/en/mtn-group/sustainability/eco-responsibility/Pages/energy-and-climate.aspx
Case studies	https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Case-studies.aspx
UN GRI 4 Report	https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Report-archive.aspx
UN Global Compact Report	https://www.mtn.com/en/mtn-group/sustainability/more-on-sustainability/Pages/Report-archive.aspx

Energy and climate

The primary consumers of energy for MTN's operations are our networks, data centres and switches. The diagram below indicates the relative energy required by each of our major infrastructure types and associated GHG emissions.

Energy consumption (GJ) **and**
GHG emissions (tonnes) **by infrastructure type** (%)

- Network (BTS)
- Data centres, switches and remote hubs
- Buildings
- Mobile combustion
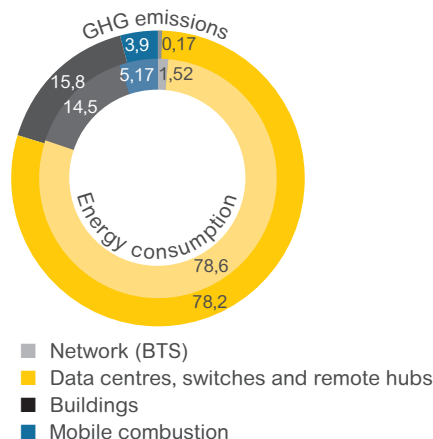
In countries such as South Africa and Cyprus, the majority of our non-renewable energy is sourced from the national grid, whilst in other countries, it is sourced from diesel. Our head office and regional buildings consume relatively much less energy, and fleet vehicles and travel consumptions are relatively immaterial. Energy efficiency measures help reduce consumption of non-renewable energy sources. Both MTN and our tower management partners also invest in renewable energy sources including solar power and, to a small extent, gas and wind to power some technical infrastructure sites and services.

2016 energy and GHG results

Our operations consumed 13,514,716 Gigajoules (GJ) of energy in 2016, mainly from grid electricity, diesel and petrol. Our energy consumption has increased by 6,6% compared to 2015, mainly due to a material increase in electricity consumption in Guinea-Conakry, South Africa, Sudan and Uganda as a result of increased reliance on grid electricity.

In total, approximately 45% of former MTN network sites are now owned and operated by tower management companies in Cameroon, Congo-Brazzaville, Ghana, Ivory Coast, Nigeria, Rwanda, Uganda and Zambia.

Our GHG emissions for 2016 were 1,609,174 tonnes of carbon dioxide and equivalent (tCO_2e). This is an increase of 1,21% compared to 2015. As we continue to implement our network outsourcing strategy, our Scope 1 emissions show a decreasing trend, and our Scope 3 emissions increase by relatively similar volumes due to the impact of network outsourcing.

MTN South Africa, the largest consumer of electricity from grid sources, did not experience as many national grid shortages in 2016 compared to 2015. MTN South Africa's network sites also increased by 7%. This resulted in a slight increase in use of national grid electricity, resulting in increased Scope 2 emissions, and a reduction in use of diesel (Scope 1 emissions). In some of our operations we purchased diesel to ensure business continuity in the possible event of electricity shortages. This has been accounted for as part of our carbon emissions even if the diesel is still under storage and has not been consumed.

Detailed results for 2016 are available in the Group's CDP Report available on our website.

Annual emissions (tCO_2e)

- Scope 1
- Scope 2
- Scope 3
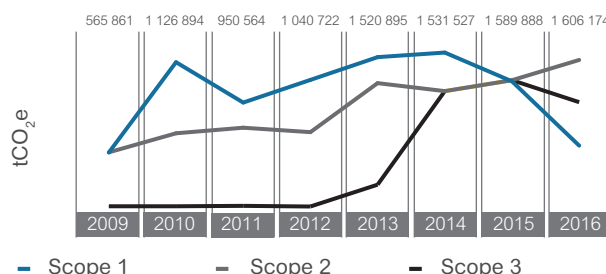
Key facts about MTN's energy and emissions results for 2016:
- GHG intensity per subscriber: 0,0071 tonnes of CO_2e (2015: 0,0072)
- GHG intensity per R1 million unit of revenue: 9,91 tonnes of CO_2e per Rm (2015: 11,48 tonnes)
- Total energy consumption: 1,201,988 kilowatt hours (kWh) (2015: 882 509kWh)
- Total electricity consumption: 13,514,716GJ (2015: 12,676 905GJ)
- Total diesel consumption: 9,050,707GJ (2015: 9,369,749GJ)
- Total petrol consumption: 136,852GJ (2015: 130,123GJ)

Energy and climate continued

We report emissions for all MTN operations where we maintain a network, or where we provide enterprise services, with exception of South Sudan, Syria and Yemen. We have excluded these countries from our carbon reporting process due to security and physical access challenges, including site refuel and maintenance, owing to the unstable situation in these countries. A number of our sites in these countries may also be damaged or non-operational.

In determining MTN's carbon footprint, we use the operational control approach. In some cases we also report on emissions where we are not the majority owner or operator of infrastructure. However, we continue to account for energy consumption of leased infrastructure, as costs are passed onto MTN either directly or as part of a consolidated site usage fee. We also believe this is a more comprehensive approach to accounting for our emissions. Leasing infrastructure is resulting in a gradual shift in the classification of our GHG emissions from Scope 1 (direct) to Scope 3 (indirect) emissions. Given our reliance on leased sites, we regard Scope 3 emissions as material over the medium to long term, while Scope 1 emissions may decline materially.

In previous years' reports, we were able to provide externally-verified emissions from some of our material operations. However, two significant changes to our operations required us to adopt a new verification approach, and prevented us from providing externally-assured results this year. The fact that an increasing number of MTN's network is no longer under the company's ownership and control impacts our ability to access detailed data and systems for Scope 3 verifications. In addition, the growth of MTN's data services, which also require increasing investment in data centre technologies and infrastructure, may result in increasing Scope 1 and 2 emissions from data centres, switches and hubs.

We are therefore focusing our internal management review processes on these services, and on other large MTN buildings and infrastructure services. In 2015, and again in 2016, we conducted internal assurance reviews on some of the systems and processes for energy consumption measurement and reporting. The assessments are enabling us to improve systems and reporting processes where required. We are therefore not yet in a position to provide external assurance on our 2016 emissions. We are aiming to conduct internal reviews again in 2017, and external assurance on some of our material countries and infrastructures that most contribute to our carbon footprint in 2017 or 2018.

Reducing emissions: investments and partner engagements

Case studies and an infographic on the types of solutions we implement to reduce our reliance on fossil fuels and improve the energy efficiency of our operations are available on our website. To reduce emissions, save operating costs, and mitigate the impact of climate change on our physical, financial and regulatory risk profiles, we have continued to modernise our existing network, and ensure that our new infrastructure investments are energy-efficient and more resilient.

Some of our efforts to manage the growth of our Scope 1 and 2 emissions in 2016 include:
- A 4,6% increase in the number of energy efficiency solutions in 2016 (2016: 10, 454; 2011 – 2015: 10,439).
- 340 MTN sites powered by alternative energy (2015: 329).

To extract further savings and reduce our GHG emissions on the basis of energy efficiencies alone will become increasingly challenging over time, and the rate of savings achievable will decline gradually. Various factors contribute to this, including the fact that we have now operationalised many of the more easy-implementable initiatives such as optimisation of HVAC systems, data centres and hot air containment services, moving indoor sites outdoors in order to enjoy free cooling and improving lighting efficiencies.

Some of the savings we have achieved due to ongoing energy efficiency and alternative energy investments include:
- Total direct Scope 1 and 2 GHG avoided/reduced in 2016: 833tCO_2e (2015: 7,943tCO_2e). This is additional carbon that would have been emitted in 2016 if it was business as usual.
- Total diesel saved in 2016: 3,295 kilolitres (kℓ) (2015: 2,870kℓ)
- Total GJ energy saved in 2016: 8, 631GJ (2015: 105,324GJ)
- Cumulative diesel savings since 2011 to 2016: 17,499kℓ
- Cumulative electricity savings since 2011 to 2016: 37,224MWh
- Cumulative GJ energy savings since 2011 to 2016: 661,693GJ
- Cumulative GHG avoided/reduced since 2011 to 2016: 68,055 tCO_2e

Energy and climate continued

As we increasingly lease network sites, our ability to realise direct energy efficiencies and GHG savings is no longer in our control. However, our strategy to outsource our network also incorporates our responsibility to work with our partners and suppliers to reduce their Scope 1 and 2 emissions (which are MTN's Scope 3 emissions). We undertake this through ongoing engagement with our tower management partners, encouraging site managers to reduce their impacts. We receive excellent support from our partners, and are pleased to report that in 2016 some of our tower management partners implemented their own efficiency and reduction strategies.

In 2016, a number of network sites on which MTN is a lessee were optimised by our partners:
• 213 sites were enhanced to extract greater efficiencies from energy sources.
• 5,092 sites were converted from fossil fuel to solar power.

Energy and climate risks, mitigation and opportunities

The Group's risk management framework, which includes two principal risks regarding environmental risks and impacts to MTN, is complemented by a climate change risk reporting template. This report is completed by energy and carbon champions in our operations on a monthly basis. The top three physical, financial and regulatory risks faced by MTN are:
• The impact of volatile weather events and temperature changes to our infrastructure and operations. Some impacts can be direct (e.g. damage to our network sites) while others are indirect (e.g. disruption to energy supplies due to severe storms, or loss of production time by infrastructure suppliers).
• The potential financial impact of climate change-related laws and regulations: The most immediate impact that we are likely to face in this respect is the risk of carbon taxes to our South African operations, although the implementation date of this tax remains uncertain. Other MTN operations that may face carbon tax regulations include Cyprus, Cameroon and Guinea-Conakry.
• Both physical and regulatory risks may result in financial costs to MTN. In addition, increasing general costs of (mainly fossil fuel-based) energy, and global and national energy security, and pricing dynamics pose financial risks to us.

While some of these risks are beyond our boundary and control, we monitor trends and developments, and work to mitigate these risks where possible. Some mitigation opportunities include:
• Reduction of our reliance on fossil fuel energy, and ensuring sustainable approaches to energy consumption through efficiencies and increasing use of more cost-effective hybrid, off-grid and environmentally-friendly solutions. This approach also mitigates the cost of potential carbon taxes to our business.
• Attention to adaption solutions to ensure business continuity is also ongoing. Where infrastructure is upgraded or replaced, we take into account the need for new equipment to better withstand physical risks such as temperature increases or supplementary services such as pumps for water extraction are incorporated if required. The design of premises and utilities such as roads is improved to withstand extreme events, such as flooding, where possible.
• Leveraging regulatory and other public subsidies and incentives to implement energy efficiency measures, where available in our markets.

We are encouraged by the work of some governments in the markets in which we operate, with respect to curbing coastal erosion in densely-populated areas where MTN may operate premises. In some markets we communicate with environmental ministries on the issue of climate change management.

ICT solutions can also greatly enhance the management of environmental resources, and MTN can enable other industries to improve their efficiencies, preserve the environment, and reduce their consumption of natural resources. Some of our solutions are innovative and unique to local environmental requirements. Read more about how MTN's IoT solutions are helping transform enterprises in our Sustainable Economic Value report. Case Studies highlighting our green IoT solutions in practice are also available on our website.

Environmental management

Environmental standards and policy

Although a number of our operations including MTN Nigeria, South Africa, Afghanistan, Cyprus and Iran, among others, have existing environmental management policies in place, we currently do not have an overarching Group Environmental Policy to help us improve on the consistency, comparability and accountability of our environmental performance from a Group perspective. In 2016, we undertook a gap analysis of existing environmental policies within our business, and updated a draft of the Group Environmental Policy. We aim to finalise this policy in 2017, and will share the policy with all country operations in order to ensure standardisation and to close any gaps in governance of MTN's material environmental issues.

MTN South Africa and MTN Cyprus ISO 14001 certifications were successfully reviewed in 2016. MTN South Africa maintains its silver-level Leadership in Energy and Environmental Design (LEED) status. MTN Nigeria is currently implementing the requirements necessary to achieve ISO 14001 certification.

The Group's new Supplier Code of Conduct defines the minimum standards that our suppliers, their employees and their sub-contractors must adhere to when conducting business with us. MTN's environmental position has been set out in this code, which will be distributed to our suppliers in 2017. All suppliers will be required to sign the code, and return their confirmation to MTN.

E-waste

Electronic and electric materials that reach their end of life are known as e-waste. E-waste contains materials such as ferrous metals, gold, glass, mercury, plastic and other manufactured elements that generate an economic value when extracted. Unfortunately, these materials can also be toxic to human and environmental health if not managed and disposed of responsibly. E-waste is a particularly concerning matter in Africa, where the industry is largely unregulated, has a general low level of awareness, and lacks facilities and oversight by authorities.

E-waste is an important source of income for waste collectors and handlers. As the global demand for a digital world continues, the problem of managing waste streams is increasing. The United States Environmental Protection Agency (USEPA) estimated that approximately 75% to 80% of the world's total volume of 41,8 million tonnes of e-waste is shipped to Africa annually. Given that we have operations in communities affected by this problem, we believe we should play a role in managing these impacts. We worked with other organisations to raise awareness, facilitate collection and improve waste management standards among handlers, albeit on a very small scale. We acknowledge that the scale and scope of this complex problem exceeds our capacity to achieve substantial outcomes on our own, but our partnerships with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in South Africa and with Ericsson's Ecology Management (ECOM 2.0) programme in Benin and Côte d'Ivoire have helped us make a difference.

MTN's assets such as network equipment and air-conditioning units, batteries, generators and IT equipment that have reached the end of their useful (or desirable) lives result in potential e-waste. Our customers and the general public, including non-MTN subscribers using cellular or mobile handsets and electronic accessories, and businesses and government organisations operating data centres, also generate similar waste streams. Our partnerships focused on increasing volumes of waste collected within our operations and from our customers and the public. We ensure that e-waste is diverted to responsible handlers who either extract valuable components or dispose of it in accordance with standards such as ISO 14001, ISO 18001 or SERI R2. While the partnerships in Benin, Côte d'Ivoire and South Africa have been concluded, e-waste management was operationalised in the latter market through ongoing internal processes and waste handling service providers. As part of a

Environmental management continued

short-term initiative following an asset valuation and depreciation exercise, MTN Cameroon replaced old computers and laptops with new items. Functional items were donated to schools following refurbishment, while approximately 0,063 tonnes of equipment which could not be refurbished or recycled, was disposed of in an environmentally responsible manner.

In 2016, 537,1 tonnes of e-waste were handed over for extraction, recycling or safe disposal in South Africa and 0,063 tonnes of e-waste were handed over for extraction, recycling or safe disposal in Cameroon. The e-waste comprises network equipment (85,93%), mobile phones (14%) and computing equipment (0,07%). Four organisations support MTN SA to manage e-waste effectively. Another organisation, which is also SERI R2-certified, processed e-waste shipped from Benin and Ivory Coast to South Africa (due to the lack of facilities for such processing in these countries). A total of 18 full-time and 16 part-time jobs were created by e-waste handlers due to the volume of e-waste supplied by MTN South Africa. In Iran internal guidelines for lead acid battery management and disposal have been developed.

The Green Office

MTN's Green Office Project was first launched in 2015. The main objective of the programme is to reduce the consumption of natural and manufactured resources in the office environment through active conservation initiatives and the promotion of sustainable practices through raising awareness among employees and users of MTN's facilities. Each MTN country of operation selected the types of initiatives and customised Green Office Project implementation based on their operational circumstances, challenges, constraints, and resource availabilities. Some operations also undertook environmental audits, which informed their activities and target setting. Each MTN operation has set its own plans, targets and customised projects to ensure it undertake the most impactful projects.

Green Office Phase

helped us realise

518 023kWh

in energy savings.

Phase 1 of our programme was concluded in April 2016. This phase consisted of voluntary adoption of the programme by 12 MTN countries, which focused on the introduction of sustainable practices, formation of project teams, securing internal buy-in and implementing quick, zero to low-cost initiatives selected from a Group Green Office Toolkit. The initiatives comprised activities to reduce consumption and waste from energy, water, paper toner, general plastic, glass, tin and other waste. Activities to improve sustainable practices in the Group's procurement chain, travel activities and event management were also specified. Phase 1 was successfully concluded after a number of highlights, including 170 865kWh in energy saving, 149kg of waste recycled and 15 271kg of paper, among others. MTN Cyprus also achieved ISO 14001 certification in 2015.

Phase 2 commenced in May 2016 and is tentatively planned for completion at the end of 2017. Subject to outcomes and capacities, the programme will be extended to other MTN countries and initiatives thereafter. This phase saw two more MTN head office operations (in Parktown (South Africa) and Dubai (UAE)) adopt the Green Office Project. Phase 1 countries also extended the number of initiatives they undertook, including adopting more targets, or implementing more complex initiatives. Phase 2 of the programme focused on improving impactful outcomes in order to reduce operating costs, resource consumption in the office environment, waste outcomes, and negative environmental impacts.

Environmental management continued

Key results from phase 2 of MTN's Green Office Project include:
- 518,023kWh of electricity saved in office and non-technical operations
- 15,646kg of paper saved from paper and toner initiatives in the office environment
- 1,808kg of general waste was recycled from waste initiatives in the office environment
- 117,250kℓ of water has been reduced from water-saving initiatives in the office environment.

MTN Cyprus successfully replaced 200 computer desktops with energy-efficient laptops, saving approximately 600kWh of electricity consumption each week. MTN Cameroon placed paper and food waste separation bins close to printing stations, kitchens and entrance areas. Old furniture was also collected for community refurbishment and use, thereby reducing the waste going to landfill. Instead of sending old computers no longer useful for company purposes to landfill or creating e-waste, MTN Sudan repaired computers for use by a local university. MTN Kenya implemented an e-procurement system in order to reduce electricity, paper and toner consumption. MTN Afghanistan has completely phased out use of plastic water bottles and replaced this with a water filter system and reusable glasses.

One of the most effective ways to implement green office initiatives successfully is to involve all employees and contractors through awareness raising and information sharing. In Dubai, MTN successfully implemented monthly information sessions with employees. The food for thought initiative educates staff on being more sustainable in the office environment and reducing their personal carbon footprints. In Parktown, quarterly presentations on being more sustainable in the office environment resulted in improved awareness and behavioural changes. Behavioural change management initiatives related to energy, water, paper and toner efficiency and waste reduction were implemented in our markets.

Overview

- We are enhancing our ethics management programme across the Company through training, communications and ensuring the availability of additional certified ethics officers.
- We have made some progress towards achieving our digital human rights management objectives.
- Employee wellness solutions including flexible work policies, greater access to health services and workplace-based daycare services for employees' children were implemented in some operations.

∷ Sustainable societies

We place value on **responsibly** and **positively contributing** to the societies in which we operate.

The relationship we have with our stakeholders is important for our business to function healthily and sustainably. We are aware that the structures of our communities and operating environment are constantly changing. As one of the largest mobile network operators in our markets, we are aware of the impact we can make by contributing positively to the lives of our communities and stakeholders. We are working consistently towards ensuring our practices are ethical, safe, healthy, fair, just, and meet the requirements of good governance.

We faced a number of challenges that raised questions by stakeholders concerning our ethical positions, general corporate governance and issue management. To address this, we made concerted efforts to amend the structure and portfolios of our leadership teams as indicated in the Group's integrated report; actively worked towards institutionalisation of our ethics framework; and reviewed how issues are managed across our operations. More information is available in the Group's integrated report, and in the ethics section of our website. Information about the Group's corporate social investment strategy and investment is also available on our website.

Objectives	Progress	Results
• Develop Supplier Code of Conduct on human rights, fair workplace practices, environmentally sustainable business activities, and ethics	◗	• The code will be distributed to suppliers for their signature, to ensure their commitment to compliance
• Increase number of certified ethics officers in operations	◗	• 19 Ethics Institute certified ethics officers now support rollout of MTN's ethics programme. We anticipate an increase in the number of certified ethics officers in 2017
• Complete digital human rights checklist in Toolkit for standardised referencing across the Group	◗	• Approximately 80% complete
• Increasingly extend Corporate Social Investment (CSI) programme to digitally-enabled education	◖	• In 2016, we invested over R127 million in education. We aim to ensure at least 50% of our education programmes have a digital/ICT component in future.

◖ *Recently started*   ◗ *Partially complete*   ● *Complete*

Read more

Social and ethics statement
https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Group_Social_and_Ethics_Statement.pdf

Social and ethics report – https://www.mtn.com/en/mtn-group/about-us/ethics/Pages/our-code-of-ethics.aspx
Anti-corruption – https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Anti_Corruption.pdf
Conflict of interest
https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Conflicts_of_Interest.pdf
Digital human rights
https://www.mtn.com/en/mtn-group/sustainability/sustainable-societies/Pages/digital-human-rights.aspx

UN GRI 4 Report
https://www.mtn.com/MTN%20Service%20Detail%20Report%20archive/MTN_Group_UN_GRI_Report_2015.pdf

UN Global Compact Report
https://www.mtn.com/MTN%20Service%20Detail%20Report%20archive/MTN_Group_UN_Global_Compact_Report_2015.pdf

Digital human rights

Operating context

As technology evolves and new opportunities are enabled, new types of risks and threats have also emerged, and society's ability to similarly adapt has been challenged. While some stakeholders advocate for maintenance of the free and open principles on which the Internet was founded, other stakeholders, concerned that people's views may be more rapidly and easily informed through online services, seek to manage or regulate digital services. The outcome is an increasingly uncertain global environment in which people's abilities to freely and safely express themselves are questionable.

Digital human rights include access to information, freedom of expression, privacy and security using ICT services. The UN has verified the fundamental role of ICT by enacting a non-binding resolution that supports the protection of human rights on the Internet. The UN also acknowledges that there are legitimate instances justifying the restriction of rights. Restrictions can be exercised through many mechanisms including international agreements and national laws, and for telecommunication companies such as MTN, through the terms of regulatory licences granted in each country of operation. Balancing the need to comply with national regulations and licence obligations, and the need to ensure global rights are not compromised, is a challenge for regulated businesses such as ours.

As MTN is reliant on the flow of communications for our existence, ensuring that our customers can easily and safely communicate within the context of these evolving challenges is an ongoing operational matter. We consistently work towards meeting our obligations in this respect. We are committed to conducting our business responsibly and ethically, and in compliance with all applicable laws, regulations, and the terms of our operating licences.

Policies

The following policies direct and enable MTN's digital human rights activities. All policies are approved by executive management and signed off by Group board committees.
• The Group Freedom of Expression, Privacy and Security (Human Rights) Policy
• The Group Customer Data Records Policy
• The Group Information Security Policy
• The Privacy Policy for the Group and each country of operation and customer terms and conditions of Service, which are available on each MTN country's website.

The Human Rights Policy was first approved by the Group Social and Ethics Committee, a subcommittee of the Group Board, and the Group President and CEO in 2013. The policy takes into account a number of UN Basic Declaration of Human Rights articles and the relevant corporate responsibility and remedy principles of the UN Guiding Principles Framework. In 2016, we reviewed this policy and determined that the principles we set were still pertinent to current and anticipated operating conditions, and no changes to the policy were required. The Group's Information Security Policy was updated.

Due diligence approach and activities

In 2016 we completed our first impact assessment, reviewed how trends may affect our business and our stakeholders, analysed or commented on proposed legislative changes, and reviewed some of our governance and operational processes.

The results of our reviews were incorporated into a Group Digital Human Rights Toolkit. The Toolkit will assist us in integrating our Digital Human Rights Policy and objectives across our business in a more consistent manner. We prioritised processes based on the types of risks and events faced in MTN countries, frequency of incidents, and the scale, scope and severity of possible impacts on both our operations and our customers. We found that a number of our existing processes are already fit-for-purpose. However there was room to improve assessment criteria and update some procedures and improve some management mechanisms. An annual risk assessment guideline specifically for digital human rights risks in our countries of operation was also developed and will be rolled out starting in 2017.

The Toolkit comprises a decision tree for assessing third-party requests, and supporting checklists to uniformly guide MTN operations on the most practical manner in which to safeguard rights while ensuring regulatory compliance.

We set out country-level and Group governance structures and responsibilities for effective management of incidents. A number of existing structures such as crisis and national emergency response teams had already managed incidents effectively. In line with our efforts to ensure consistency, more work to ensure Group-wide standardisation will take place in 2017. For crisis events, a core senior team in the affected MTN country operation manages and resolves each incident. A new team structure has been created,

Digital human rights continued

largely co-opting existing crisis and emergency response team members. This team – the Issue Management Council (IMC) – comprises of the country CEO, the head of business risk management, and the head of corporate services (with legal/ regulatory and stakeholder engagement representation). The head of technology, head of human resources and other functions will also be involved depending on the nature of incidents. Group executives, including the regional Vice President and the executive for business risk management, are alerted about each incident. These executives may form the Group's Executive Crisis Management Team should the issue be deemed a crisis for MTN and our stakeholders. Operational resolution for the crisis is then expedited through the Group Operational Crisis Management Team.

Non-crisis events, private party or other requests for individual data or access to customer records are usually managed separately by a legal officer in each MTN country's legal function. For example, in South Africa requests are managed by MTN's protection of personal information officer.

In developing the toolkit, we took into account guidelines and considerations set by the European ICT Sector Guide, Telecommunications Industry Dialogue Group and recommendations set out in the AccessNow Telco Action Plan, and referenced other sources of guidance such as pertinent International Telecommunications Union articles, the UN's Office of the High Commissioner on Human Rights, the Global Network Initiative, the Institute for Digital Human Rights and Business, the Business and Human Rights Resource Centre, among others. We prioritised processes based on the types of risks and events faced in MTN countries, frequency, and the scale scope and severity of possible impacts on both our operations and our customers.

Major political events in 2016, either in MTN markets or in other countries, highlighted further concerns or potential risks. We dynamically adapted aspects of the toolkit as these events occurred, ensuring lessons learnt could be used to improve our processes. In some instances, the toolkit was used to guide operations to manage incidents even while the toolkit was still under development. The impact of this iterative approach was a delay in toolkit finalisation, but a more robust solution which better serves our operational requirements.

The toolkit is currently in draft format, subject to further internal review and finalisation in 2017. This review process is important for us to ensure that the decision tree and procedural checklists are flexible enough to accommodate for a broad range of potential scenarios that may challenge each of our operations differently based on the country's unique circumstances, while still ensuring overall compliance with the Group's Human Rights Policy.

We conducted a limited number of initial awareness sessions about what digital human rights mean for MTN. High-level presentations were undertaken with the Group's regional IMCs, and some MTN country ethics task teams. These teams comprise representatives required to manage digital human rights incidents, and largely consists of executive, general and senior managers from corporate services, legal and regulatory, and business risk management functions. A formal awareness and training approach will be defined in 2017, and training will commence thereafter. We have also included a short description of MTN's digital human rights position in the Group's Supplier Code of Conduct.

We track events on an incident-by-incident basis within our operations through a variety of mechanisms including internal and external alerts, pre-emptive monitoring of possible high-risk situations that could result in human rights events, and internal alerts and issue management.

Meeting the challenge of enabling rights while ensuring compliance with an ever-increasing array of instruments designed to govern these rights is complicated because different groups of stakeholders hold opposing views of what should be done or how their expectations should be met.

Our stakeholder engagement process is undertaken on a national level by MTN country operations, and by the Group itself as required. For national incidents, communicating with customers, local communities and media, and engaging authorities and other industry role-players are undertaken by the country management team. At a Group level, engagement is undertaken on both a proactive (general information sharing) and reactive (incident-specific) basis. The Group maintains communication with civil rights groups, and also engaged with the UN Special Rapporteur on freedom of expression in the Office of the High Commissioner for Human Rights

Digital human rights continued

(OHCHR) in 2016. We also maintain ongoing discussions with a number of MTN's investors or analysts specifically interested in how we manage these rights across our business. These discussions help us further identify emerging human rights issues, share our learnings, priorities and challenges, and incorporate recommendations as appropriate.

Remedies and context for offering remedies

MTN operates in 24 countries in Africa, the Middle East and Southern Europe. The macro and human rights context of each of these countries vary significantly, and remedies that may be easily implemented in some countries may not be applicable in others.

Telecommunication companies (telcos) and mobile network operators (MNOs) such as MTN, along with Internet service providers (ISPs), may face additional constraints and challenges as set out in the terms of the regulatory licences governing the ongoing operations in each country. We have learnt that stakeholders are not always clear on the differences between regulated ICT entities and non-regulated organisations. This manifests in sometimes unreasonable, poorly informed expectations of telcos, MNOs and ISPs that cannot be met as they are not within the ability or regulatory terms of companies such as MTN to influence or control.

In addition to legal and technical service differences between regulated and non-regulated organisations, the nature of human rights situation that occurs also determines the type of remedy applied. There is no standard approach that can meet the needs of all situations. For instance, service interruptions that affect a large section of the population warrants alerts to customers. Where such events occur, MTN alerts customers if it is safe and legal. Reasons for service interruptions are also shared where possible. In other situations e.g. for criminal investigations, MTN may be restricted by law and by necessity of investigations from alerting customers and cannot offer remedies.

Some of the tools used to ensure compliance and remediation include the Group's Customer Data Records Policy, Privacy Policy and legal processes regarding requests for access to information and service restrictions. MTN's customer terms and conditions of services, available on each operating country's website, also indicates usage and management of customer data, and some websites indicate the various channels that can be used to raise concerns with MTN.
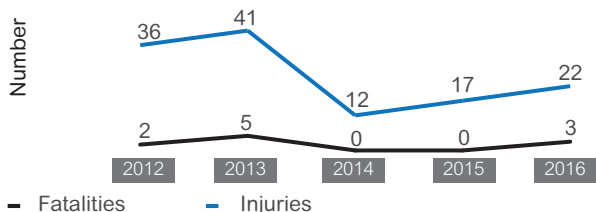
The workplace

Health and safety

MTN's health and safety activities cover permanent and temporary employees, contractors and visitors to MTN's premises. Overall responsibility for management of health and safety resides with our business risk management and human resources management functions. MTN's partnership with International SOS and Control Risks continues to provide medical, security and emergency services to all employees worldwide. This includes services to office-based employees who travel for business or personal purposes, business travellers, and expatriates and their families. The Group's Crisis Management Policy and toolkit complement safety initiatives, ensuring MTN manages and reduces risks during crisis events, helping us ensure that employees, customers, visitors, equipment and facilities are protected from harm. There are 89 health and safety officers in our operations, on a variety of matters including first aid services, fire management and employee evacuation.

Regretfully in 2016, three employees lost their lives in a road accident which occurred during working hours. Twenty-two employees sustained injuries on duty in various incidents, including a vehicle accident, falling down and from cuts sustained while carrying sharp materials.

ANNUAL FATALITIES AND INJURIES

Other types of health and safety incidents that may affect our workplace include the outbreak of communicable diseases and viruses, and political unrest. No employees were affected by the outbreaks of the Zika virus, yellow fever and cholera in some of the countries where we operate. We continue to monitor risks and mitigate any incidents of infection by implementing preventative and management measures, and by raising awareness.

Political unrest or instability in Yemen, Syria and South Sudan poses safety risks to our employees. None of our employees were harmed as a result of unrest in 2016.

The business risk human resource management teams in each country monitor and manage risks related to the unrest to ensure the reduction of impact on our business operation and ensure that MTN employees are safe. These teams proactively identify potential risks to ensure that preventive measures are put in place to avoid loss of operations and injury to employees.

Employee wellness solutions and services are structured by each MTN country to meet the specific requirements of the local operating environment and the needs of employees. In Benin, Iran, Nigeria, South Africa, Sudan, Syria, Uganda and Yemen, MTN's on-site clinics offer basic health-care services to our employees. In Guinea-Conakry and Côte d'Ivoire more specialised medical services such as paediatric, ophthalmology and gynaecology for employees and their families are offered. These clinics are generally equipped with an on-site nurse and doctor to meet the requirements of our employees, customers and suppliers on our premises. Digital and physical awareness communications and campaigns are generally conducted by each operation. Aspects addressed include safety protection, disease prevention and management, and the adoption of health and safety practices.

Part of creating a conducive working environment for employees is addressing the need for people to manage their work and personal lives more effectively. In 2016, MTN Sudan implemented a daycare service for employees' children. The daycare has approximately 40 registered children. MTN Sudan is the second MTN country to offer such employee services, following a similar implementation by MTN Afghanistan in 2012. Also in 2016, MTN South Africa developed a flexible work arrangement policy, allowing employees to modify their work schedules to better fit their domestic responsibilities while meeting organisational objectives.

Freedom of association

The workplace rights of our employees are governed by local labour rules and regulations in our respective operating markets. In many countries, freedom of association is an important workplace right supported by national legislation. Across the Group, 757 employees (3,8% of staff) belong to union bodies. This low percentage is attributed to the fact that most of the unionised workers in our Company generally work in call centre operations, which are outsourced, and therefore not accounted for in MTN's calculations. Furthermore, each of our operations are governed by the national labour rules and regulations of host countries, and in some countries employees are not permitted to belong to trade unions by prevailing laws.

In 2016, the impact of MTN South Africa's plans to optimise operations and focus on core competencies resulted in the decision to outsource call centre operations. To address employee concerns, MTN engaged with employees and unions, and demonstrated compliance with the requirements of the Labour Relations Act.

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⠿ Annual sustainability statements

Sustainability value add statement for 2016

The Group's business objectives, key performance indicators (KPIs), and targets are set out in the MTN Group Limited integrated report for the year ended 31 December 2016, under the Group's strategic performance section on pages 30 and 31.

The table below indicates MTN's sustainability-related business performance in terms of certain South African and global standards, protocols and guidelines as indicated in the section "About this report". It complements and extends the MTN Group statement on How we Create Value as reported in the MTN Group Limited Integrated Report for the year ended 31 December 2016.

We set out our performance in terms of material indicators that provide a clear, comprehensive and useful measure of our progress quantitatively. We have largely achieved our objective of presenting a five-year rolling view of our quantitatively. Each year, we also amend the scope of quantitative KPIs that are reported, to reflect our performance against the latest material sustainable business issues where required.

Indicator	Notes	Unit	2016	2015	2014	2013	2012
WORKPLACE							
Total employees		Number	**19 989**	21 804	22 204	25 424	26 705
Employee turnover		%	**7,2**	7,8	8,3	7	2,6
Employees retrenched		Number	**330**	335	752	315	570
Expatriate staff		%	**0,8**	0,8	0,9	1,1	Not available
Woman		%	**37**	37	37	36	25
Woman at Group Board level		Number	**3**	3	3	2	2
Woman: senior management and above		%	**1,8**	1,6	1,5	1,3	0,85
Employees unionised (Group)	1	%	**3,8**	Not available	Not available	Not available	Not available
Employees unionised (South Africa)		%	**22**	16	Not available	Not available	Not available
Employee learning and development	2	R' million	**392**	224	254	293	383
Training hours per employee		Hours	**32**	12,9	17,4	31,9	32,7
Employee culture survey results		%	**67***	66	65	68	68,87
Employees receiving performance review	3	%	**95**	100	100	100	100
Workplace-related deaths	4	Number	**3**	0	0	5	2
Workplace-related serious injuries	5	Number	**22**	17	12	41	36
Number of calls to tip-offs anonymous whistle-blowing hotline		Number	**120***	128	260	687	886
Employees undertaking online ethics training	6	Number	**958**	1 456	1 104	–	–

Sustainability value add statements for 2016 continued

Indicator	Notes	Unit	2016	2015	2014	2013	2012
ENVIRONMENT							
GHG emissions		tCO_2e	**1 609 174**	1 589 888	1 531 527	1 520 895	1 040 722
• Scope 1: direct emissions		tCO_2e	**315 603**	645 428	793 098	769 471	652 790
• Scope 2: indirect emissions		tCO_2e	**755 109**	651 233	595 177	636 184	384 725
• Scope 3: indirect emissions		tCO_2e	**538 462**	293 227	143 252	115 240	3 208
GHG intensity per subscriber		tCO_2e	**0,0071**	0,0072	0,0069	0,007	0,006
Energy savings (diesel)		kℓ	**3 705**	2 870	2 846	3 055	Not available
Alternative-power sites (solar, etc)			**340**	329	205	Not available	Not available
GHG avoided/reduced							
• Cumulative up to 2014			**Not applicable**	Not applicable	29 034	54 587	Not available
• Actual	7		**833**	7 947	–	–	–
E-Waste		Tonnes	**537,1**	534,5	326	469	Not available
Green office: paper use avoided	8	Kg	**15, 646**	15, 271	Not available	Not available	Not available
Green office: electricity savings		kWh	**518, 023**	Not available	Not available	Not available	Not available
Green office: water savings		kℓ	**117, 250**	Not available	Not available	Not available	Not available
Green office: plastic waste, metal and drinks cartons waste avoided		Kg	**1, 808**	629	Not available	Not available	Not available
ECONOMIC DEVELOPMENT AND SOCIAL INCLUSIVITY							
Corporate social investment (MTN Foundations)		R million	**295,4***	335,4	282,5	314	235
Employee volunteers		Number	**10 459**	8 209	9 571	11 562	12 007
Black economic empowerment (South Africa)		Score out of 100	**87,83**	76,60	85,72	75,58	85,4
• Ownership (20 base points and 3 bonus points)		Score out of 23	**21,28**	20,70	21,34	21,00	21
• Management and control (10 base points and 1 bonus point)		Score out of 10	**10,67**	9,57	10,37	11,00	8,9
• Employment equity		Score out of 10	**6,28**	2,47	5,45	5,02	12,2
• Skills development		Score out of 17	**5,80**	3,24	8,39	7,23	7,4
• Preferential procurement (20 base points and 6 bonus points)		Score out of 20	**20,28**	20,91	19,66	9,61	17
• Enterprise development		Score out of 11	**11**	7,71	8,51	9,72	14
• Socio-economic development		Score out of 12	**12**	12	12	12	5

Sustainability value add statements for 2016 continued

Notes:

1. The low percentage is attributed to the fact that most of the unionised workers in our company generally work in call centre operations, which are mainly outsourced, and therefore not accounted for in MTN's calculations. Furthermore, each of our operations are governed by the national labour rules and regulations of host countries, and in some countries employees are not permitted to belong to trade unions by law.

2. The significant increase in the number of employees undertaking training and development is attributed to an intensive learning and development awareness campaign that encouraged employees to enhance their skills.

3. Employees who have joined MTN or terminated their employment during the financial year under review may not be eligible to complete a full year of performance reviews using the Human Resource Information System (HRIS). MTN accepts a 5% non-completion margin on HRIS.

4. Deaths are attributed to a vehicle accident during working hours.

5. Injuries occurred due to a vehicle accident during working hours, falling down and from cuts sustained while carrying sharp materials.

6. We are unable to fully quantify the number of employees that have received training in ethics in 2016 due to the following factors, and have reported more conservatively as a result:
   a. MTN Academy's e-learning and training system only records online courses that are included in the online ethics training catalogue. It is this number that we have reported. Our system does not record classroom-based training, which has been undertaken in a number of MTN countries.
   b. Ethics training in countries including Iran, Syria, South Sudan and Yemen are not included in figures compiled from reports on the number of eLive ethics courses completed.
   c. E-learning programmes are only available in English, which generally limits accessibility to our employees in whose first language may not be English (including in our Francophone and Middle Eastern operations). The MTN Group Ethics Office is developing a DVD-based MTN-specific ethics course that will be translated for our operational requirements, and which will be rolled out during 2017.

7. Over time the rate of savings achievable is declining gradually. Various factors contribute to this, including the fact that we have operationalised many of the more easy-implementable initiatives and have realised these savings.

8. The amount of paper recycled in 2015 has been restated due to the fact that paper savings from MTN Sudan were not included (2015 previously reported: 5,771).

∷ **Annual sustainability statements** continued

UN Global Reporting Initiative (GRI) 4 report

This year, we have prepared our report in accordance with Global Reporting Initiative (GRI) G4 guidelines, selecting core indicators material to our business.

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 2016 (IR) [IR]
- MTN Group Sustainability Report 2016 (SR) [SR]
- MTN Group Carbon Disclosure Project report 2016 (CDP) [CDP]
- MTN Group Global Compact Communication of Progress Report 2016 (UNGC) [GC]
- MTN Group website (www.mtn.com) ⊕

Index	Description	Information (document or web link)	Page(s)
STRATEGY AND ANALYSIS			
G4-1	CEO statement	• IR: Our executive chairman's report • SR: Group executive chairman's statement	• IR: 23-27 • SR: 5
G4-2	Impacts, risks and opportunities on stakeholders and financial performance	• IR: Our top risks and what we are doing about them • SR: Energy and climate risks, mitigation and opportunities	• IR: 32-39 • SR: 19
ORGANISATIONAL PROFILE			
G4-3	Name of reporting organisation	• MTN Group Limited	
G4-4	Primary brands, products, services	• IR: What we offer • https://www.mtn.com/en/what-we-do/Pages/default.aspx	• IR: 3
G4-5	Location of headquarters operating structure	• 216 – 14th Avenue, Fairland, 2195, South Africa	
G4-6	Geographic scope/map of operations	• IR: Where we operate	• IR: 4-5
G4-7	Nature of ownership and legal form	• IR: About MTN; where we operate	• IR: 2; 4-5
G4-8	Markets served, sectors served and profile of customers/beneficiaries, profile of customer base	• IR: Where we operate • https://www.mtn.com/en/mtn-group/about-us/our-story/Pages/where-we-are.aspx	• IR: 4-5
G4-9	Scale of the reporting organisation including number of employees and operations	• IR: About this report • SR: About this report; sustainability value add statement	• IR: Page preceding table of contents • SR: Page preceding table of contents; 30
G4-10	Number of employees by employment contract and gender	• SR: Sustainability value add statement	• SR: 30
G4-11	Percentage of employees covered by collective bargaining agreements	• SR: The workplace; sustainability value add statement	• SR: 28; 30
G4-12	Describe the organisation's supply chain (types, number of and locations of suppliers including any sector-specific characteristics of the supply chain)	• The appointment of suppliers and vendors involves a thorough selection and evaluation process, to ensure the most qualified vendors are selected based on fairness, objectivity, transparency and merit. This process is in line with our supply chain policies and procedures manual, applicable to all MTN operations. All suppliers are required to adhere to our policies, standards and procedures	
G4-13	Changes occurring within the reporting period regarding size, structure or ownership	• The Group has materially revised its structure and leadership significantly in 2016, to improve governance, regulatory and operational oversight, management capacity, compliance, risk management and effective execution of strategy, and increase management capacity. Changes include the appointment of a high-calibre executive management team to replace or enhance existing executive management structures, the re-constitution of three vice presidential structures and the clustering of operations in Southern and Eastern Africa, Western and Central Africa, and Middle Eastern and Northern Africa regions, and of the role of a Group chief operations officer • IR: Our new compliance structure; our executive chairman's statement; our people	• IR: 7; 24; 80

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
COMMITMENTS TO EXTERNAL INITIATIVES			
G4-14	How the precautionary approach/ principle is addressed	• SR: Eco-responsibility; environmental management	• SR: 16; 20
G4-15	External economic, environmental and social charters or principles subscribed to/endorsed	• SR: Standards and reporting	• SR: Page preceding table of contents
G4-16	Memberships of associations and national or international advocacy organisations	• National Business Initiative – corporate member • Groupe Speciale Mobile Association (GSMA)	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Organisational structure	• IR: Where we operate • SR: About this report	• IR: 4-5 • SR: Page preceding table of contents
G4-18	How report content and aspect boundaries are defined and how the organisation has implemented reporting principles	• SR: Our approach to sustainability • IR: Our material issues	• SR: 2 • IR: 8
G4-19	List all material aspects identified in the process for defining report content	• SR: Our approach to sustainability • IR: Our material issues	• SR: 2 • IR: 8
G4-20	For each material aspect report the aspect boundary within the organisation	• SR: About this report; our approach to sustainability	• SR: Page preceding table of contents; 2-3
G4-21	For each material aspect report the aspect boundary outside of the organisation	• SR: About this report; our approach to sustainability	• SR: Page preceding table of contents; 2-3
G4-22	Effect of any restatements of information in previous reports, and associated reasons	• None	
G4-23	Significant changes to report content/scope (material aspects) from previous reports	• None	
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	• IR: How we create value; relationships; our key relationships themes • SR: About this report	• IR: 10; 20; 21 • SR: Page preceding table of contents
G4-25	How are stakeholders identified?	• IR: How we create value; relationships; our key relationships themes • SR: About this report	• IR: 10; 20; 21 • SR: Page preceding table of contents
G4-26	Approaches to stakeholder engagement (who, how, and what outcomes)	• IR: How we create value; relationships; our key relationships themes • SR: About this report	• IR: 10; 20; 21 • SR: Page preceding table of contents
G4-27	Stakeholder concerns and how the organisation has responded. Report the stakeholder groups that raised each concern	• IR: How we create value; relationships; our key relationships themes • SR: About this report; our approach to sustainability	• IR: 10; 20; 21 • SR: Page preceding table of contents; 2-3

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
REPORT PROFILE			
G4-28	Reporting period	• 1 January 2016 to 31 December 2016	
G4-29	Date of most recent report	• 31 December 2016	
G4-30	Reporting cycle	• Annual	
G4-31	Contact point	• https://www.mtn.com/Pages/Contact-us.aspx	
REPORT PROFILE: GRI CONTENT INDEX			
G4-32	"In accordance" option chosen, GRI context index chosen, external assurance report	• "In accordance" – Core • GRI context index – G4 • IR: Summarised indicators; www.mtn.com/investors/Financial-Reporting/Integrated-Reporting/pages/default.aspx • SR: Sustainability value add statement	• IR: 90 • SR: 30
G4-33	Policy and current practice on independent assurance, and whether the highest governance body is involved in seeking assurance for the sustainability report	• IR: Summarised assurance indicators; www.mtn.com/investors/Financial-Reporting/Integrated-Reporting/pages/default.aspx • SR: Sustainability value add statement	• IR: 90 • SR: 30
GOVERNANCE			
G4-34	Governance structure including highest governance committees, and committees responsible for decision-making on economic, environment, and social impacts	• IR : How we are governed • SR: About this report; approach to sustainability	• IR: 63 • SR: Page preceding table of contents; 3
G4-35	Process for delegating authority for sustainability topics from the highest governance body to senior executives and other employees	• IR : How we are governed • SR: About this report; approach to sustainability	• IR: 63 • SR: Page preceding table of contents; 3
G4-36	Executive level position/s with responsibility for sustainability topics including reporting lines to highest governance body	• IR : How we are governed • SR: About this report; approach to sustainability	• IR: 63 • SR: Page preceding table of contents; 3
G4-37	Process for consultation between stakeholders and the highest governance body on sustainability topics	• IR : How we are governed • SR: About this report; approach to sustainability	• IR: 63 • SR: Page preceding table of contents; 3
G4-38	Composition of the highest governance body (Board) and its committees – detailed	• IR: How we are governed	• IR: 57-63
G4-39	Is Chairman of highest governance body also an executive officer?	• IR: Who is responsible	• IR: 64
G4-40	Nomination and selection process for highest governance body and committees including criteria such as diversity, independence, and expertise for nominations and selections	• IR: How we are governed	• IR: 59
G4-41	Process followed by the Board for managing conflicts of interest	• IR: How we are governed	• IR: 59

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
GOVERNANCE continued			
G4-42	Highest governance body's role in development, and approval of organisation's value statements, policies and strategies related to sustainability	• www.mtn.com/en/investors/financial-reporting/integrated-reports/pages/default.aspx	
G4-43	Measures taken to develop and enhance board's knowledge of sustainability	• Not available	
G4-44	Processes for evaluating board's sustainability performance and actions taken in response to evaluations	• Not available	
G4-45	Board's oversight of sustainability	• IR : How we are governed • SR: Our approach to sustainability	• IR: 61 • SR: 3
G4-46	Board's role in reviewing effectiveness of risk management processes	• IR : Our approach to risk	• IR: 32-39
G4-47	Report the frequency of the board's review of economic, environmental and social impacts, risks and opportunities	• SR : Our approach to sustainability	• SR: 3
G4-48	Highest committee or position that approves sustainability report and ensures all material aspects are covered	• SR: About this report	• SR: Page preceding table of contents
G4-49	Process for communicating critical concerns to the board	• SR: Our approach to sustainability	• SR: 3
G4-50	Nature and number of critical concerns communicated to board, and mechanisms used to resolve	• Not available	
G4-51	Report remuneration policies for highest governance body and senior executives, and describe the link between remuneration and leadership performance	• IR: Our people and their remuneration	• IR: 70-88
G4-52	Process for determining remuneration	• IR: Our people and their remuneration	• IR:70-88
G4-53	How are stakeholders' views taken into account regarding remuneration	• MTN's remuneration policies and practices are aligned to the King Code of Corporate Governance. Through various initiatives, the Group's remuneration committee ensures that engagement takes place with various stakeholder groups including employees, governments and social partners in a manner that is transparent and impactful	

:: **Annual sustainability statements** continued

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
GOVERNANCE continued			
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	• Not available	
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	• Not available	
ETHICS AND INTEGRITY			
G4-56	Organisation's values, principles, standards, norms of behaviour and codes of conduct/ethics	• IR : Our values • SR: About this report • https://www.mtn.com/en/mtn-group/about-us/ethics/Pages/default.aspx • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Group_Social_and_Ethics_Statement.pdf • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Anti_Corruption.pdf • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Conflicts_of_Interest.pdf • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Digital_Human_Rights.pdf • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2016_%20Mobile_and_Health.pdf • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2016_Networks_and_Environment.pdf	• IR: 2 • SR: Page preceding table of contents
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	• IR : Our approach to risk; how we are governed • SR: Sustainable societies; sustainability value add statement	• IR: 34; 43 • SR: 24; 30
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, escalations, and whistle blowing	• IR : Our approach to risk • SR: Sustainable societies; sustainability value add statement	• IR: 34 • SR: 24; 30
CATEGORY: Economic **ASPECT:** Economic performance			
	Disclosure on management approach	• https://www.mtn.com/en/investors/Pages/default.aspx	
G4-EC1	Direct economic value generated and distributed (revenues, operating costs, wages, benefits, loans)	• IR: Financial review	• IR: 41-46
G4-EC2	Climate change-related financial implications and risks and opportunities	• SR: Energy and climate • https://www.mtn.com/MTN%20Service%20Detail%20Report%20archive/MTN_Group_2016 • https://www.cdp.net/en/search	• SR: 19

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Economic **ASPECT:** Economic performance continued			
G4-EC3	Defined benefit plan obligations coverage	• Not available	
G4-EC4	Financial assistance from government	• In some countries, standard government rebates to encourage investment in national skills development and training is available to employers. In South Africa, for example, rebates at rates determined by the government are available on payments made in terms of the Skills Development Levies Act (where companies are registered with the South African Revenue Service, have a payroll above a government-determined threshold, and make payments of 1% of monthly payroll costs to the national skills development levy)	
CATEGORY: Economic **ASPECT:** Market presence			
	Disclosure on management approach	• IR: Remuneration report	• IR: 70
G4-EC5	Ratios of standard entry-level wage compared to local minimum wage (by gender)	• Not available	
G4-EC6	Proportions of senior management hired from local communities	• We currently report on the percentage of ex-patriate employees, but do not indicate this by management level. • SR: Sustainability value add statement	• SR: 30
CATEGORY: Economic **ASPECT:** Indirect economic impacts			
	Disclosure on management approach	• IR: How we create value • SR: Our approach to sustainability	• IR: 10-19 • SR: 2-3
G4-EC7	Extent and impacts of development of significant infrastructure investments and services and whether they are commercial, in kind, or *pro bono* engagements	• SR: Sustainable economic value • IR: Manufactured capital; social and relationship capital; our investment case	• SR: 7-12 • IR: 12; 17-19; 28-29
G4-EC8	Significant indirect economic impacts, including extent of impacts	• IR: How we create value • SR: Sustainable economic value; sustainability value add statement (black economic empowerment)	• IR: 10-19 • SR: 7-12; 31
CATEGORY: Economic **ASPECT:** Procurement Practices			
	Disclosure on management approach	• 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. Procurement policies and procedures are also aligned to the economic and legal requirements of our local operations.	
G4-EC9	Policies, practices, and proportion of spending on locally based suppliers	• SR: Sustainability value add statement (black economic empowerment)	• SR: 31
CATEGORY: Environmental **ASPECT:** Materials			
	Disclosure on management approach	• SR: Eco-responsibility; environmental management	• SR: 16-22
G4-EN2	Materials used: weight/volume	• SR: Environmental management; sustainability value add statement	• SR: 20-22; 31

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Energy			
	Disclosure on management approach	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN3	Energy consumption within the organisation	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN4	Energy consumption within the organisation	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN5	Energy consumption within the organisation	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN6	Reduction of energy consumption (as a result of conservation and efficiency initiatives)	• SR: Energy and climate • https://www.mtn.com/en/mtn-group/sustainability/eco-responsibility/Pages/energy-and-climate.aspx • https://www.cdp.net/en/search	• SR: 17-19
CATEGORY: Environmental **ASPECT:** Water			
	Disclosure on management approach	• 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. In 2015, MTN Cyprus also attained ISO 14001 certification. MTN Nigeria is currently in the process of implementing the requirements necessary to achieve ISO 14001 certification. Other operations, while not ISO 14001-certified, maintain safety health and environmental policies, and as part of 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. SR: Environmental management	• SR: 20-22
CATEGORY: Environmental **ASPECT:** Biodiversity			
	Disclosure on management approach	• SR: Eco-responsibility • https://www.mtn.com/Sustainability/Documents/Networks_and_Environment_2016.pdf	• SR: 16
CATEGORY: Environmental **ASPECT:** Emissions			
	Disclosure on management approach	• SR: Eco-responsibility; energy and climate • https://www.cdp.net/en/search	• SR: 16-19
G4-EN15	Direct GHG emissions (Scope 1)	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Emissions continued			
G4-EN16	Energy indirect GHG emissions (Scope 2)	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN17	Other indirect GHG emissions (Scope 3)	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN18	GHG emissions intensity	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN19	Reduction of GHG emissions	• SR: Eco-responsibility; energy and climate; sustainability value add statement • https://www.mtn.com/en/mtn-group/sustainability/eco-responsibility/Pages/energy-and-climate.aspx • https://www.cdp.net/en/search	• SR: 16-19; 31
G4-EN20	Emissions of ozone depleting substances (ODS)	• https://www.cdp.net/en/search	
CATEGORY: Environmental **ASPECT:** Effluents and waste			
	Disclosure on management approach	• MTN applies the precautionary principle towards environmental management, and operations are compliant with national laws and regulations. Due to the nature of MTN's business and the products and services offered, this indicator is not material, but is nevertheless managed operationally. As part of the maintaining the ISO 14001 and LEED certifications for MTN South Africa, responsible water management and use is addressed. In 2015, MTN Cyprus is also ISO 14001 certified. MTN Nigeria is currently implementing the requirements necessary to achieve ISO 14001 certification. Other operations, while not ISO 14001-certified, maintain safety health and environmental policies, and as part of business plans, operations are reviewing environmental risks as a focus area in terms of the Group's principal risks or energy, carbon and climate internal reporting processes. A number of MTN operations are currently implementing the Group Green Office toolkit, for paper, plastic, glass, tin, fuel and water saving opportunities at offices and similar premises. The Group addresses recycling of own e-waste and that of customers and the general public in South Africa, Benin and Cote d'Ivoire, and own e-waste in Cameroon and Iran. • SR: Environmental management	• SR: 20-22
G4-EN23	Total weight of waste by type and disposal method	• SR: Environmental management; sustainability value add statement	• SR: 20-22; 31
G4-EN24	Total number and volume of significant spills	• No significant spills	
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	• The most material waste subject to this convention is electronic and electrical waste (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. For tonnage, see references below • SR: Environmental management; sustainability value add statement	• SR: 21; 31

:: **Annual sustainability statements** continued

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Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Effluents and waste continued			
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	• Although not a material aspect for the Group, see SR: Eco-responsibility • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2016_Networks_and_Environment.pdf	• SR: 16; 20-22
CATEGORY: Environmental **ASPECT:** Products and services			
	Disclosure on management approach	• The Global e-Sustainability Initiative has assessed that ICT-enabled solutions can help the world achieve carbon abatements in the region of 9.6GtCO$_2$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 • SR: Sustainable economies – transforming enterprises • https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/ CaseStudyFullView.aspx?pID=29 • https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/ CaseStudyFullView.aspx?pID=28 • https://www.mtn.com/Sustainability/MoreOnSustainability/Pages/ CaseStudyFullView.aspx?pID=23	• SR: 12-13
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	• SR: Environmental management; sustainability value add statement	• SR: 20-22; 31
CATEGORY: Environmental **ASPECT:** Compliance			
	Describe the approach to managing and reporting on Compliance (with environmental laws and regulations)	• The Group's legal and regulatory function in each country's operations is responsible for oversight and therefore receives reports on all non-compliances and fines issued including environmental matters if such incidents have occurred	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	• No significant fines and sanctions	
CATEGORY: Environmental **ASPECT:** Transport			
	Disclosure on management approach	• Although transportation is not a source of significant environmental impact and is not deemed material, greenhouse gas emissions associated with transport are quantified and reported • SR: Energy and climate; sustainability value add statement • https://www.cdp.net/en/search	• SR: 17-19; 31
CATEGORY: Environmental **ASPECT:** Overall			
	Disclosure on management approach	• IR : How we are governed • SR: About this report; approach to sustainability • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2016_%20Mobile_and_Health.pdf • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2016_Networks_and_Environment.pdf	• IR: 63 • SR: Page preceding table of contents; 3

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Employment			
	Disclosure on management approach	• 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	
G4-LA1	Number and rates of employee hires and turnover, by age group, gender, and region	• Not available	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary/part-time employees, by significant locations of operations	• Not available	
G4-LA3	Return to work and retention rates after parental leave, by gender	• Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Labour/Management relations			
	Describe the approach to management of labour relations and how this is reported on	• 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	
G4-LA4	Report minimum notice periods regarding significant operational changes as well as whether these are specified in collective agreements	• 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 generous retrenchment policy relative to severance pay	
CATEGORY: Social – labour practices and decent work **ASPECT:** Occupational health and safety			
	Describe the approach to managing and reporting on occupational health and safety within the organisation	• SR: The workplace	• SR: 28
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 programs	• SR: The workplace	• SR: 28
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	• SR: The workplace; sustainability value add statement • Occupational diseases are not a feature of our business, given the nature of products and services offered • Data on lost days is not available, but is deemed not material due to the low rate of workplace-related accidents/ injuries	• SR: 28; 31

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Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Training and education			
	Disclosure on management approach	• Employees are actively encouraged to continuously look for opportunities to improve their capabilities and skills through extensive training available digitally, face-to-face and from other sources supplied by MTN's 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	
G4-LA9	Average hours of training per employee per year (by gender and employee category)	• SR: Annual Sustainability statement • IR: Our people	• SR; 31
G4-LA10	Report on the type and scope of programmes implemented for employee skills management and lifelong learning	• While detailed reports are available internally, this information is not available for external reporting currently • We provide talent management learning solutions that ensure that we continue to attract, retain and develop the talents of our employees. Our global talent standards is structured to take into account the technical and behavioural requirements for each position, level of work and functional area in our organisation. We offer training and development solutions for business, organisational behaviour, commercial, technology and leadership capabilities	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	• SR: Annual sustainability statement	• SR: 31
CATEGORY: Social – labour practices and decent work **ASPECT:** Diversity and Equal Opportunity			
	Describe the approach to managing and reporting on diversity and equal opportunity	• 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. While 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	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age, and other indicators of diversity	• IR: How we are governed • SR: Sustainability value add statement	• IR: 57-59 • SR: 30

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Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Equal remuneration for men and women			
	Describe the approach to management of equal remuneration for women and men, and how this is reported on	• MTN appoints employees based on a fair process that is based on human resource policies and procedures. Remunerations decisions are subject to these policies and procedures which are applicable to males and females. Remuneration is determined by position, skills, expenses, qualifications and affordability. No reports on equal remuneration for men and women are available	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operations	• Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Supplier Assessment for Labour Practices			
	Disclosure on management approach	• Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Labour practices grievance mechanisms			
	Disclosure on management approach	• 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 that employees enjoy the freedom to raise grievances, and ensures that these will be correctly mediated	
G4-LA16	Number of grievances about labour practices filed, addressed, resolved, through formal grievance mechanisms	• Not available	
CATEGORY: Social – human rights **ASPECT:** Investment			
	Disclosure on management approach	• SR: Digital human rights • https://www.mtn.com/MTN%20Service%20detail%20Document%20library/2013_Digital_Human_Rights.pdf	• SR: 25-27
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that have underwent human rights screening	• Not available	
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	• Not available	
CATEGORY: Social – human rights **ASPECT:** Non-Discrimination			
	Disclosure on management approach	• 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 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)	
G4-HR3	Number of incidents of discrimination and action taken	• Not available	

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – human rights			
ASPECT: Freedom of association and collective bargaining			
	Disclosure on management approach	• 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	
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	• 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. • Suppliers: Not available	
CATEGORY: Social – human rights			
ASPECT: Human rights grievance mechanisms			
	Disclosure of management approach	• The Group's privacy and customer terms and service policies for each operations are available on each country's website at the links indicated below. These terms and policies generally also set out complaints and grievance mechanisms available • http://www.mtn.com.af/Details.aspx?pageid=49 • http://www.mtn.com.cy/en/general/terms-conditions/ • http://www.mtn.com.cy/media/images/theme/2015/MyMTN/MyMTN_Cyprus_Privacy_Policy.pdf • http://www.mtn.ci/MTNCI/cybercriminalite.html • http://www.mtn.com.gh/privacy • http://www.mtn.com.gn/CGU#.V5KQGWZf05s • https://vitrin.irancell.ir/PrivacyPolicy • http://www.mtnonline.com/privacy • http://www.mtn.co.rw/Content/Pages/262/Privacy_Policy • https://www.mtn.sd/home/content/privacy-policy • http://www.mtn-ssd.com/privacy.html • https://www.mtn.co.za/pages/website_legal.aspx?termsID=26 • https://www.mtn.co.za/Pages/Website_legal.aspx?termsID=4 • https://shop.mtn.co.za/crs/siteInformation/privacyPolice.jsp • https://www.mtn.co.za/support/Support_questions_answered/Pages/Overview.aspx?PageName=Report%20fraud • http://www.mtn.co.sz/legal/Pages/default.aspx • http://www.mtn.co.ug/legal/Pages/privacy-policy.aspx • http://www.mtnzambia.com/privacy-policy.html • www.mtn.com.af/Details.aspx?pageid=48 • http://www.mtn.com.gh/terms-conditions • http://nextapps.mtnonline.com/index/page/id/25 • https://www.mtn.co.za/pages/website_legal.aspx?termsID=26&_ga=1.191177507.800364538.1448444377 OR https://www.mtn.co.za/pages/website_legal.aspx?termsID=26 • https://shop.mtn.co.za/crs/siteInformation/staticPage.jsp?breadcrumb=Terms%20of%20Use&siteInformation=TermsofUse • https://shop.mtn.co.za/crs/modals/termsAndConditions.jsp?typeTC=3 • SR: Digital Human Rights • The Group is currently in the process of reviewing and updating the privacy policy and terms and conditions of the football website.	• SR: 28
	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	• Not available	

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Index	Description	Information (document or web link)	Page(s)
CATEGORY: Society **ASPECT:** Local communities			
	Disclosure on management approach	• SR: Digital human rights • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2016_%20Mobile_and_Health.pdf • https://www.mtn.com/en/mtn-group/social-investments/our-focus-areas/Pages/our-focus-areas.aspx	• SR: 25-27
G4-SO1	Operations with significant actual and potential negative impacts on local communities	• SR: Digital human rights • Mobiles and health: all operations engage directly, and through local regulatory authorities, with communities with respect to matters related to network installation	• SR: 25-27
CATEGORY: Society **ASPECT:** Anti-corruption			
	Disclosure on management approach	• IR: How we are governed; our approach to risk • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2013_Anti_Corruption.pdf • https://www.mtn.com/MTN%20Service%20detail%20 Document%20library/2013_Conflicts_of_Interest.pdf • https://www.mtn.com/en/mtn-group/about-us/ethics/Pages/default. aspx	• IR: 32; 61
G4-SO3	Total number and percentage and of operations assessed for risks related to corruption and the significant risks identified	• IR: How we are governed; our approach to risk	• IR: 32
G4-SO4	Communication and training on anti-corruption policies and procedures	• IR: How we are governed; our approach to risk	• IR: 32
G4-SO5	Confirmed incidents of corruption and actions taken	• Not disclosed	
CATEGORY: Society **ASPECT:** Public Policy			

	Disclosure on management approach	• https://www.mtn.com/Sustainability/Documents/Group_Social_ and_Ethics_Statement_2013.pdf
		• The executive for regulatory affairs and public policy reports to the Group chief executive officer and president
		• Public policy engagement is undertaken through the following means:
		  – Via any matters of consideration by the GSMA
		  – 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)
		  – With other national or international bodies or authorities such as the African Union, and the National Business Initiative or industry associations	

G4-SO6	Total value of political contributions by country and recipient/beneficiary	• No contributions were made in 2016	

:: **Annual sustainability statements** continued

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Index	Description	Information (document or web link)	Page(s)
CATEGORY: Society			
ASPECT: Anti-competitive behaviour			
	Disclosure on management approach	• 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	
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	• Not available	
CATEGORY: Society			
ASPECT: Compliance			
	Disclosure on management approach	• IR: How we are governed • https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf	• IR: 57
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	• IR: Financial review	• IR: 41-47
CATEGORY: Society			
ASPECT: Grievance Mechanisms for impacts on society			
	• Disclosure on management approach	• 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	
CATEGORY: Product Responsibility			
ASPECT: Customer health and safety			
	Disclosure on management approach	• Group positions on www.mtn.com/sustainability/Mobiles and Health • MTN operations maintain 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, personal information management, and more. Some aspects of customer terms and conditions 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. In some countries, all MTN stores display MTN's commitments to consumer rights and complaints mechanisms including contact details of regulatory authorities. 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, e-mail, social media and other digital channels	

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Product Responsibility **ASPECT:** Customer health and safety continued			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	• Group positions on www.mtn.com/sustainability/Mobiles and Health • 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 safe levels of electromagnetic fields varies for each country of operations, and is subject to requirements set out by the national telecommunications regulator	
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	
CATEGORY: Product responsibility **ASPECT:** Product and service labelling			
	Disclosure on management approach	• MTN operations maintain terms, conditions on service and legal content on the local website for the operations as indicated in G4-HR4. 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, e-mail, social media and other digital channels	
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	• The types of products and services offered by each of our operations may vary from country to country, and this information is therefore not at available in a consolidated format at the Group reporting levels. Some of our operations may maintain this information on their local websites. Please refer to the references as indicated in G4-HR4	
G4-PR5	Results of surveys measuring customer satisfaction	• IR: Our strategic performance in 2016 (NPS); operational review	• IR: 30; 47-52

UN Global Reporting Initiative (GRI) 4 report continued

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Product responsibility **ASPECT:** Marketing Communications			
	Disclosure on management approach	• 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)	
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 outcomes	• Not available	
CATEGORY: Product responsibility **ASPECT:** Customer privacy			
	Describe the approach to management and reporting of Customer Privacy	• SR: Digital human rights • Group positions on https://www.mtn.com/MTN%20Service%20 detail%20Document%20library/2013_Digital_Human_Rights.pdf	• SR: 25-27
G4-PR8	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data	• Not available	
CATEGORY: Product responsibility **ASPECT:** Compliance			
	Disclosure on management approach	• https://www.mtn.com/Sustainability/Documents/Group_Social_ and_Ethics_Statement_2013.pdf	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	• Not available	

07

:: **Glossary**

Term	Definition
4G	Fourth generation Internet connection. See LTE
BBBEE	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_2 and CO_2e	Carbon dioxide and carbon dioxide equivalent. See GHG
Convergence	Information and communication technology products and services combining voice and data
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_2, Methane (CH4), nitrous oxide (N_2O), hydro fluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF6). The United Nations has identified these six gases as the greatest contributors to global warming. See CO_2 and CO_2e
GJ	Gigajoules (energy)
GSMA	Global System for Mobile Communications Association
GPRS	General Packet Radio Service (GPRS)
ICNIRP	International Commission on Non-Ionising Radiation Protection: www.icnirp.de
ISP	Internet Service Provider
ICT	Information and Communication Technology
ITU	International Telecommunications Union
King III	King III Code of Corporate Governance for companies operating in South Africa
kℓ	Kilolitres
kWH	Kilowatt hour (electricity)
LEED	Leadership in Energy and Environmental Design
LTE	Long-Term Evolution
MMS	Multi-Media Services
MNO	Mobile Network Operator
MPLS	Multiprotocol Label Switching
MTR	Mobile Termination Rates
MW	Megawatt (electricity)
NEM	Network Equipment Manufacturer
NFC	Near Field Communications
OEM	Own Equipment Manufacturer
OTT	Over-The-Top Operator (Internet services)
RF	Radio Frequency. See EMF
SME	Small and Medium Enterprise
SMS	Short Messaging Service
UNFCCC	United Nations Framework Convention on Climate Change
WHO	World Health Organisation

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