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Executive summary



For the MTN Group, sustainability is about the way we conduct our core business. We work to integrate economic, environmental and social issues into our product development, how we run our network, and how we manage the different needs of our people, customers, investors and the communities in which we operate. Through this effort, we aim to protect and create value for our stakeholders.

Six focus areas

Over 2010, we accelerated our efforts to integrate sustainability into our core business operations. We have identified **six focus areas** based on 17 years of operation, our evolving operating context, and important stakeholder feedback on key points of interest and concern.

These focus areas are:

Innovating in a changing world through inclusive, affordable and smart solutions.

Managing our customers' needs in a responsive manner.

Ensuring environmental impact management is embedded in our operations.

Enhancing the value we offer to our employees.

Working with our suppliers for mutual benefit.

Using our corporate social investment initiatives to reach our communities.

The past year has been marked with several achievements on our sustainability journey. Our multi-year programme to ensure sustainable, cost-efficient networks included the following:

- Engineering our base station sites, test centres and switches to save energy and maintenance costs through energy-efficiency solutions and the use of alternative energy sources. For example, by installing a 2MW methane gas and combined heat and power (CHP) data and test centre, we now reduce our carbon footprint by 1 500 tons CO₂ annually. We also save R1 500 000 operating costs in year 1 and an estimated R5 300 000 by year 3. We also reduce our energy security risk at this site by 29%, and are better prepared for the risk of carbon taxes as a result. The new energy-efficiency methodology was successfully registered as a UN-approved carbon credit project.
- Determining our CO₂ footprint across 95% of our operations by subscriber number will help us set relative baselines and targets for emissions reduction, starting in 2012.
- Continuing our focus on a site co-location strategy ensures that the environmental and operating impacts of our infrastructure are reduced.
- MTN's Shared Service solution, initially implemented in the SEA region and hosted in Uganda, reduces costs by sharing IT infrastructure and services among multiple operations.

We are tackling the challenge of Africa's e-waste problem through a pilot in South Africa, in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Center for Cooperation with Private Sector. Having

assessed the nature, scale and scope of the challenge, we determined the role we wish to play, and have committed to invest R8 534 749 over a three-year period in South Africa, supplementing GIZ's R2 060 835 contribution. We will also work with at least four emerging small and medium enterprises, and the project will start in quarter 1 of 2011. We are open to working across multiple industries, partners, competitors, as well as upstream suppliers and downstream enterprises and the general public, to tackle what we see as a worrying international social and environmental problem that could become a meaningful socio-economic opportunity if managed well.

In 2009, the World Bank found that every 10% broadband penetration in low- and middle-income countries accelerates economic growth by 1,38%. Measuring the direct socio-economic contribution as a result of our investment in broadband capacity will be a significant challenge. However, we have found that our investment in The East African Main System (TEAMS) and East Africa Submarine Systems (EASSy) solutions has seen a 93% broadband service delivery cost reduction, and has stimulated a 400% increase in broadband capacity utilisation in the SEA region and reduced reliance on expensive satellite capacity by MTN Rwanda, MTN South Africa, MTN Uganda and MTN Zambia.

With mobile networks available to 90% of the global population and 80% of rural areas under coverage, according to the International Telecommunications Union, ICTs impact all aspects of society. Altogether 111 million internet users are located in Africa, up from 200 000 in 2000, according to the Internet World Statistics review. Given our changing operating

environment, and the convergence between voice and data requirements, as well as ongoing growth of information technology, and the proliferation of handsets, tablets and smart devices, we have continued to focus on the role of communications in enabling social and responsible economic growth. This includes MTN MobileMoney, health and insurance, smart and mobile solutions InternetOnTV, smart fleet and logistics management for industrial efficiency, smart office management for mobile worker tracking, and building energy efficiency solutions and air quality monitoring solutions, amongst others.

From climate change to health, to education and personal security; no discussion of major social issues is complete without close examination of the role of ICTs in creating, managing and resolving these issues.

ITU 2011 Trends in Telecommunication Reform report.

We are currently conducting research to understand our socio-economic impacts. The purpose of this research is to add value to enhance our business strategy. While we look forward to the opportunities that still lie ahead, we are proud of the achievements made possible by our committed employees and the support of our customers, suppliers and other partners. We remain focused on our sustainability vision: to ensure we address material commercial, social and environmental issues in our business in a way that delivers value to our stakeholders.

About this report



The MTN Group reviewed the recommendations of the King III Code on Governance Principles for South Africa (King III), and this year has presented an Integrated Report. This Sustainability Report for 2010 expands on the material matters reported in our 2010 Integrated Report, and provides a more comprehensive account of our sustainability strategy and actions, focus areas, results achieved and plans to improve our business performance. We intend to further our efforts in this respect going forward.

We have begun to align our sustainability programme to our core business risks and opportunities, focusing on impact, mitigation efforts, and risk and opportunity drivers. We also consider stakeholder interests as well as global telecommunications best practice and issues raised by international industrial and political organisations. This process allows us to specify our material sustainability issues.

We have identified six focus areas that cover all our material sustainability issues:

- Innovating in a changing world through inclusive, affordable and smart solutions.
- Managing our customers' needs in a responsive manner.
- Ensuring the impact of our activities on the environment are built into our operations.
- Enhancing the value we offer to our employees in order for them to thrive.
- Partnering with our suppliers to achieve our goals.
- Investing in communities through our Corporate Social Investment.

Within each of these six focus areas, we have highlighted our performance, the link to our core operational risks and opportunities, and discussed selected key initiatives. We have identified those issues that are not only material, but also have a critical impact on operations and therefore demand priority.

These material issues are included in the 2010 MTN Integrated Report, supplemented by more details presented in this MTN 2010 Sustainability Report.

Within MTN, we track our progress by reporting on a quarterly basis through the Group business risk management committee, a sub-committee of the Group board, and on a monthly basis to the Group executive committee.

We publish our Sustainability Report annually. Our last report was published in May 2010 and covered the 2009 financial year. This report covers the financial year ending in December 2010. All financial information is reported in South African rands, using the exchange rate as at 31 December 2010 of ZAR6,61: USD1.

For further information, see our Integrated Report ending 31 December 2010 on www.mtn.com.

The scope of this report includes 20 of our 21 MTN operations. It excludes Mascom (Botswana). This scope is based on levels of ownership and control. The report may provide more detailed information where appropriate on our operations in Ghana, Iran, Nigeria, South Africa and Syria, as these operations contribute the largest share of our revenues and have the most material impact on MTN's performance.

This report also includes material activities undertaken through Group functions located in South Africa and Dubai. Due to the diversity of our markets, the availability of data across our operations varies. We are working towards improving this through our manual and automatic reporting systems, in line with our standardisation and business efficiency focus.

Integrity and verifiability are crucial for quality and credible sustainability reporting. We therefore comply with GRI standards for reporting (including GRI Telecommunications Sector Supplement Pilot)¹. Our full disclosure on our performance against GRI indicators is available online at: www.mtn.co.za/sustainability.

We are working towards our first sustainability report assurance to be carried out in 2012. We have also consulted the ISO 26000:2010 Guidance on Social Responsibility² and discussions and recommendations from our stakeholders to inform our approach. For further information, please contact us at sustainability@mtn.co.za or visit our web page www.mtn.com/sustainability.

The MTN Group Limited Sustainability Manager can be contacted at:

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Private bag X9955, Cresta, 2118

Physical address:

Phase 2 Building
Innovation Centre
216 14th Avenue
Fairland, South Africa

¹ See <http://www.globalreporting.org/ReportingFramework/G3Guidelines/> and http://www.globalreporting.org/NR/rdonlyres/7276597E-65A1-47F3-A5B3-3BEB745A8B34/0/SS_Telecommunications_ENG.pdf

² See http://www.iso.org/iso/catalogue_detail?csnumber=42546

Message from our leadership



MC Ramaphosa: Group Chairman

The MTN Group Integrated Report statements by the Group's Chairman, Group President and CEO, and COO and CFO provide the strategic context for the business's performance. The detailed statements are presented in the MTN Group 2010 Integrated Report, available on www.mtn.com. Abridged statements indicating responsiveness to stakeholder groups are presented below.



PF Nhleko: Group President and CEO

The board is able to more easily balance its growth aspirations with that of ensuring improved short-term returns to shareholders.



RS Dabengwa: Chief Operating Officer

MTN recognises the importance of evolving its business as the industry matures and consumers move towards broader product offerings.

Most operations increased their share of the subscriber market, notwithstanding fiercer competition and pressure on tariffs.



NI Patel: Chief Financial Officer

Integrating our reporting

We started on a journey to provide a more integrated report of our social, environmental, economic and financial impacts and influences.

Increasing returns to small shareholders

The board anticipates that the Group will generate increased cash flow through lower capital expenditure and relatively stable EBITDA margins in the period ahead.

Confronting challenges

Our 2010 results were achieved under challenging competitive, regulatory and sluggish global economic pressures coupled with a strong rand. Nevertheless, many emerging economies proved to be relatively resilient. MTN believes there to be considerable opportunity for greater mobile penetration and other value-added services in these regions where it has operations.

Engaging with regulators, developing new revenue streams and facing competition

Many countries consider the telecommunications industry to be one of strategic national importance: this is perhaps one reason for increasing regulation across MTN's footprint. There is an increase in the importance and focus on data and related products and services.

Focusing on the environment

Despite being a medium-impact company, we made considerable progress in integrating environmental matters into core operations. This is an important advance: in many of the countries in which we operate, communities are among the most vulnerable to climate change.

Working with communities

By its very nature, MTN's offering is a key element of countries' infrastructure and an enabler of development. We continued work with communities through MTN foundations which facilitate and fund various initiatives and partnerships aimed at stimulating and contributing to sustainable development.

Achieving a solid performance in 2010

MTN Group performed satisfactorily in 2010 with most operations increasing their share of the market under fairly difficult circumstances as fierce competition and pressure on tariffs continued.

Leading the way

MTN's product and service innovation is motivated by a sound business imperative to remain competitive, as well as a social imperative to bridge the digital divide. Even though MTN's 21 markets are at various stages of development, a number of data and value-added service initiatives continued to gain momentum during 2010.

Remaining competitive

The key to remaining competitive is having a high-quality network and being able to deliver services efficiently. We focus on closely monitoring infrastructure investments to ensure appropriate levels of capacity and availability of networks, and investment in metropolitan and national fibre, as well as undersea cables. We also continued optimising efficiencies through infrastructure sharing, the standardisation of systems and processes, the rationalisation of suppliers and stricter cost management and optimisation.

Enabling MTN people to thrive

To attract and retain talent, we developed a new employee value proposition that will be rolled out in 2011.

246 million

 Invested more than
R246 million in training.

Engaging with regulators

Continued engagement with regulatory authorities in the development and refinement of the telecommunications sector remains critical to our strategy.

Empowering the historically disadvantaged and extending local ownership

The R8,1 billion transaction MTN Zakhele offering – the largest black economic empowerment equity ownership deal in the South African telecoms sector – was completed. Also, in our other operations, a degree of local ownership of MTN's operations continued to stimulate domestic economic empowerment and local participation in the business.

Sound operational and financial performance

Most operations increased their share of the subscriber market, notwithstanding fiercer competition and pressure on tariffs.

Benefiting from a clearly defined operational framework

MTN's results were underpinned by a clearly defined operational framework which has and will continue to benefit operations going forward, with the customer at the centre. This is supported by a refined customer segmentation model.

Brand preference

This often determines whether or not a customer joins or stays with a network. We understand our customers' motivations, needs, aspirations and values have been important in developing customer satisfaction, brand loyalty and sustainable success.

Efficient and deep distribution

This is an important determinant of success. We recorded significant improvements in distribution in the year with more electronic recharge options and refining distribution frameworks.

Experienced people

We rotated a number of senior employees between different operations, facilitating a greater sharing of knowledge and experience, and helping develop employees' careers.

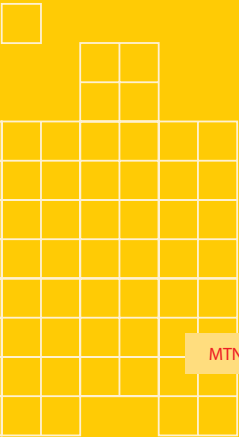
Quality of service

Timeously, efficiently and effectively investing and upgrading networks and IT technology. We invested a further R19,5 billion in network infrastructure in 2010 which has enabled operations to maintain or improve in the quality of networks.

Delivering on MTN's financial framework

MTN has shown delivery on its financial framework due to the strong operational performance, enabling payment of 55% of adjusted headline earnings per share, taking the dividend yield to 4%, a significant increase from a year ago.

Who we are



About MTN

We are MTN Group Limited. With our head office (Manco) in Johannesburg, South Africa, and listing on the Johannesburg Securities Exchange (JSE Limited), we are a distinctly global company. MTN's vision is to be the leading provider of telecommunication services in emerging markets. Our operations are divided into three regions of operation: South and East Africa (SEA), West and Central Africa (WECA), and Middle East and North Africa (MENA).

While all our operations are relevant to this report, the impacts, risks, opportunities and initiatives in our major operations (Ghana, Iran, Nigeria, South Africa and Syria) are of particular significance. These operations are considered our major operations because they contribute a significant portion of our annual revenue.

While our head office operations – Manco – serves the primary support function to our operations, we have moved our networks and technology team, and a procurement team to MTN Dubai. This change was implemented to better serve international operations.

What we do

We provide voice and data telecommunications products and services to consumers and businesses in the private and public sector in SEA, MENA and WECA. In providing these services to our customers, in most cases, we make use of independently owned outlets for distribution. However, we do also make use of MTN owned stores as well. We summarise our offering below.

Our business drivers

- ☞ *Consolidation and diversification*
- ☞ *Leverage existing footprint and intellectual capacity*
- ☞ *Convergence and innovation*

Our priorities

- ☞ *Explore new revenue streams and growth opportunities*
- ☞ *Competitive responsiveness*
- ☞ *Customer needs understanding and service innovation*
- ☞ *Operational efficiencies and productivity improvements*
- ☞ *Maintaining MTN values and culture*
- ☞ *Ensuring development of our people*

Consumers

- Voice includes: prepaid and postpaid airtime (on various priceplans), please-call-me message service, electronic voucher distribution services, community payphones and smartphones (Blackberry and Iphone)
- Data products include: short message service (sms), multimedia message services (mms), internet access services, Google sms information services and USSD services (callback or balance enquiries), and an increasing range in machine-to-machine solutions
- Other specific services include: MTN mobile money, Mobile banking and MTN Play (our mobile content portal)

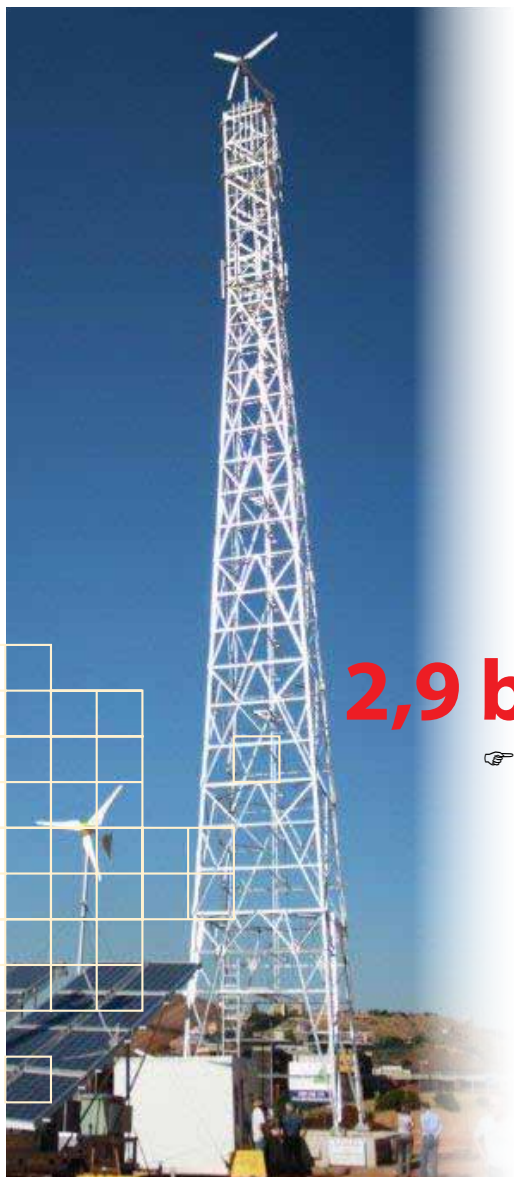
A more detailed list of what we offer is available on www.mtn.com.

Business

MTN Business serves small to medium enterprises, corporate, multinational and public sector customers across Africa and the Middle East. We provide voice and data communications solutions designed to manage costs, improve efficiencies and deliver consistent quality.

- Internet and email solutions
- Calling and messaging solutions
- Network solutions
- Security solutions
- Infrastructure (Data centre and hosting) solutions
- Business applications

MTN's operating environment and sustainability



For MTN, sustainability is about the way we run our business.

We remain aware of the prevailing social and environmental conditions in these markets in our product and solution offering, service delivery and supporting operations.

Our vision is to be the leading telecommunications provider in emerging markets. We believe in the investment potential of these markets, and continue to deliver quality services that respond to our customers' present and future demand. Our commitment to our markets has again yielded growth in revenue and subscribers from 2009 to 2010. This was achieved in the context of increasingly aggressive competitive activity in the market, greater levels of regulatory activity and mobile penetration.

Our business model is evolving to leverage new revenue streams and potential areas of opportunity. We are investing in infrastructure to enable a range of data solutions. This will bring our data product and service offering in line with voice.

2,9 billion

☞ We have increased data revenues by 46% to **R2,9 billion** in the six months ended 30 June 2010 compared with the same period in 2009.

We recognise that the future of MTN lies in our strategic investments and our ability to develop new and innovative products to enable the convergence between voice and data requirements in the context of economically, politically, socially and environmentally evolving emerging markets. We must develop our capacity to adapt to changes in our operational context to maintain our competitive position.

We know that our financial performance is linked to the broader stability and sustainability of the markets where we operate. There is a sound business imperative for ensuring our corporate responsibility and investing in communities. The socio-economic and political stability in societies where we operate directly impacts our ability to run our operations.

These issues also impact our ability to source skilled employees, as well as the well-being of our employees and a sustainable supply chain and distribution network. Contributing to socio-economic development can help to mitigate core operational risks associated with political instability and exposure to volatile financial markets.

Operating in developing countries, we know that sustainability is not about being 'green'. Many of our customers live in communities that are among those most vulnerable to environmental volatility, and that many in rural communities depend directly on the environment for subsistence³. We can also create opportunities to grow our business through innovations that address environmental challenges. Responding to environmental challenges is thus a business imperative.

We are embedding sustainability in our organisation by establishing links with core risks, networks and technology, and opportunities for innovation, realising efficiency and generating revenue. Our sustainability agenda encompasses environmental, social and governance issues that are of importance to stakeholders, and that have a potential or realised material impact on MTN's economic position.

There is a strong business case behind all our sustainability initiatives and investments. Our corporate social investment targeting education, health and cultural community projects complement our efforts in this respect.

Material opportunities and risks

We reviewed our material sustainability risks and opportunities during the 2009 reporting process and identified opportunities for improvements in our environmental management, our investment in the FIFA 2010 World Cup™, and in our community investments. Our top three sustainability-related risks were identified as regulatory, environmental and fraud related.

This year, we have continued this risk and opportunity assessment process. Using the approach recommended in King III, we have identified substantive links between our sustainability agenda and the core operational risks and opportunity areas in a more integrated manner. Our Integrated Business Report for 2010 (pages 11 to 13) available on www.mtn.com sets out our integrated economic, risk and sustainability responses.

The purpose of this stand-alone Sustainability Report is to elaborate on our sustainability performance in further detail.

Each material issue in this report:

- drives a core operational risk/opportunity; or
- impacts or is impacted by a core operational risk/opportunity; or
- is linked to the mitigation of a particular core operational risk/opportunity.

We are also beginning to integrate these issues with our new stakeholder management strategy to be implemented over 2011.

Business continuity

We work continuously to ensure that our operations are able to withstand impacts of unexpected social or environmental events. This includes impacts on human resources, business infrastructure and operational processes.

As part of our engagement with the Carbon Disclosure Project⁴, we have turned our attention to the physical, regulatory and other impacts of climate change. Among these, we identify the possible impacts of extreme weather events on infrastructure as an area that requires management⁵. This is not only important for MTN; it is also a matter of importance for our customers and communities where we operate. A functional telecommunications network is an invaluable asset in volatile times when communication is essential for coordinating disaster strategies.

Our business continuity management (BCM) strategy details our emergency response, crisis management, business recovery and resumption protocol. We have implemented disaster recovery plans, and invested in network infrastructure to improve redundancy.

We have entered into a partnership with International SOS and contra risks groups which are helping us address medical, security and crisis risk management matters such as safe travel management requirements for employees.

3 See the IPCC Third Assessment Report Summary for Policy Makers (2001) available at: <http://www.ipcc.ch/pdf/climate-changes-2001/synthesis-spm/synthesis-spm-en.pdf>

4 <https://www.cdproject.net/EN-US/WHATWEDO/Pages/South%20Africa.aspx>

5 See the IPCC Fourth Assessment Report (AR4) Climate Change 2007: Synthesis Report available at: http://www.ipcc.ch/publications_and_data/publications_ipcc_fourth_assessment_report_synthesis_report.htm

6 Governance requirements for companies listed on the JSE Limited: <http://african.ipapercms.dk/IOD/KINGIII/kingiicode/>

MTN's operating environment and sustainability. . . Affirming our progress



April 2010

- ☞ MTN Yello Stars winners acknowledged by MTN's leadership. Category winners recognised for living the MTN values, sharing knowledge, customer service excellence and star performance

May 2010

- ☞ MTN Group completes first detailed Carbon Disclosure Project report to determine impact, opportunities and risks to business
- ☞ MTN 0.facebook.com launched to enable free access to Facebook via cellphones
- ☞ 38% of staff volunteer their time and resources in local communities under the 21 Days of Yello Care staff volunteering programme

June 2010

- ☞ MTN proudly supports 2010 FIFA World Cup™ through R429 million sponsorship and R450 million infrastructure investment

July 2010

- ☞ Intel Corporation and MTN Group sign Memorandum of Understanding on accelerated deployment of broadband access in Africa and Middle East

August 2010

- ☞ East Africa Submarine cable system (EASSy) goes live. MTN invested R268 million (15% of EASSy system cost)
- ☞ MTN Zakhele broad-based black economic empowerment share scheme launched
- ☞ MTN South Africa launches 2Megawatt tri-generation plant to power data centre and test site. Approval as UN CDM carbon credit project received



September 2010

- ☞ Comviva and MTN Ghana launch virtual SIM solution, extending communication access to underserved segments

October 2010

- ☞ MTN Irancell recognised as top service provider and most committed company of private sector at Iran's Fifth Festival; also awarded the Productive Organisation Golden Trophy at Iran's second National Productivity Awards

November 2010

- ☞ MTN Nigeria Foundation wins AfricaCom Changing Lives award for Rural Telephone Project 3000
- ☞ MTN Syria wins CSR Companies Award by Junior Chamber International, for role in development of local communities

December 2010

- ☞ Joint venture with American Tower Company in Ghana is signed to optimise infrastructure efficiency through outsourced model
- ☞ MTN Ghana launches MobileMoney Bill Payments for electricity and satellite television payment



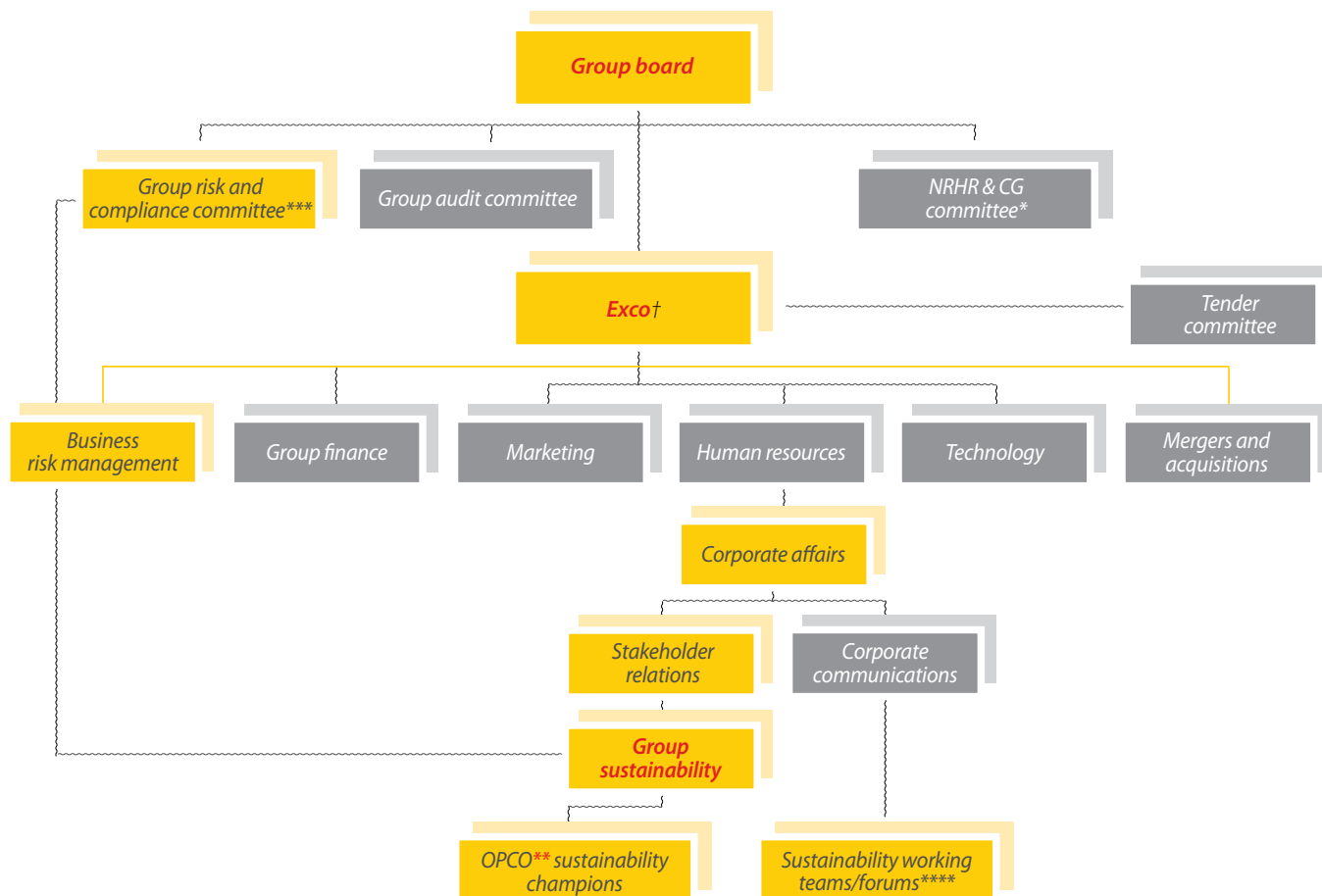
Governance of sustainability

The MTN Group board is accountable for sustainable business practice and has delegated responsibility to the Group risk and compliance committee. The Group President and CEO is responsible for sustainability.

Our performance in 2010

- ☞ *While we began to engage our operations on sustainability during 2010, our formal sustainability communications strategy has been postponed to 2011 and is currently underway*
- ☞ *We have begun to align our sustainability programme to core operational risk management and reporting*
- ☞ *We have also begun to improve sustainability data collection, reporting, management and assurance*
- ☞ *We remain committed to identify sustainability Key Performance Indicators by quarter 3 of 2011*





* Nominations, remuneration, human resources and corporate governance committee

** Operating company, used within MTN to denote all subsidiaries and associates

*** Sustainability is a standing item on committee agenda

**** Sustainability working teams and forums will be implemented in regions or operating companies commencing in the latter half of 2010

† Exco also includes the Chief Operating Officer's office and Company Secretary

Governance of sustainability *continued*

Sustainability governance, management and implementation approach

We have internal group-wide policies in place covering issues from governance to operational compliance and processes. While we have this framework in place, the cultural, legal and economic diversity of markets where we operate demand that we are sensitive to these differences when applying our policies.

Sustainability is managed by the Group Sustainability Manager. It is implemented by sustainability champions, carbon footprint champions or internal technical experts at our operations. To improve the extent and effectiveness of implementation, we are working towards training programmes for our internal network of champions.

Environmental management is included in the sustainability management team's work and performance monitoring mandate; however, compliance, health and safety and environmental management systems remain the responsibility of dedicated functions within operations.

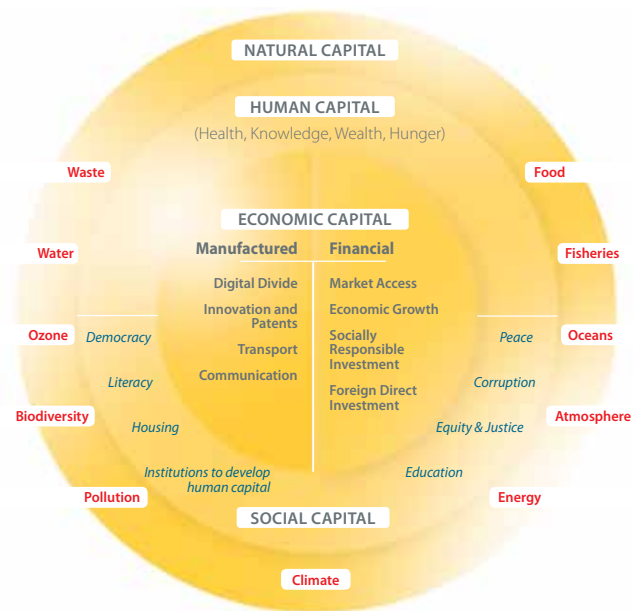
MTN foundations based in our operations are responsible for social development and upliftment projects.

We continue to base our sustainable business approach on the Forum for the Future's Five Capitals' Model. This model is useful to MTN as it

allows us to view how our economic performance is subject to our reliance on natural, human and social capitals, and therefore helps us focus our efforts and remain aware of our macro-operating context. The model is also useful to help us determine materiality and trade-off decisions in terms of our focus, efforts and projects.

We continue to take a two-pronged approach to integrating sustainability in our business:

- Setting the platform or foundations for sustainable business performance.
- Focusing on no more than two to three areas of implementation, aligned to the Group's vision, using the rule of materiality and impact.



MTN's vision is to be the leading telecommunications provider in emerging markets. We have used a value chain model below to depict how we implement our sustainable business approach.



Sustainability and King III Code

This King III Code⁶ advises that companies implement an integrated approach to the way they evaluate and report on their business context. A project to assess gaps between MTN's sustainability programme and reporting, and the requirements of King III was initiated in 2009. In 2010, we identified integrated reporting as one of the areas for improvement. We have started to align our annual reporting process to King III. While we have

found the process most useful and have gained momentum, we acknowledge that our processes will need to mature over time. This means MTN needs to explore the linkages between our financial, operational, regulatory, social, environmental and economic impacts, risks, opportunities and initiatives in order to determine an accurate position of our long-term sustainability in more detail. We understand sustainability in this context.

Regulatory context

The integral role of telecommunications infrastructure and connectivity within the process of socio-economic development has meant that regulators have become increasingly involved in interventions in this space. Regulators play an important role in creating an enabling digital environment according to the ITU's Trends in Telecommunication Reform, 11th Edition, 2011.

We welcome this development in the context of socio-economic development. Ensuring consistent regulatory compliance is paramount in maintaining our operational licences and credible reputation in each of our 21 markets.

Although the diverse regulatory nature of our 21 countries of operations makes it challenging to track present and future regulatory trends, we are able to identify the top regulatory themes across our business.

We track the regulatory trends presented on the next page so as best to pre-empt and manage our compliance risks. Our engagement with regulatory authorities remains constructive and transparent, and through proactive relationship management, we also develop insights into national challenges which could impact social and commercial imperatives. We developed dedicated regulatory teams to improve communication with authorities.

In 2010, MTN Syria signed an MoU for the conversion of its Build-Operate-Transfer licence to a freehold licence. Discussions on the terms of this conversion are ongoing.

For more information, please also refer to the Group overview section of the 2010 MTN Integrated Report.

⁶ Governance requirements for companies listed on the JSE Limited: <http://african.ipapercms.dk/IOD/KINGIII/kingiiiicode/>

Material regulatory issues being tracked and managed

- Market regulation: price-setting by regulators, including tariff floors.
- Mobile termination rates (MTR): fees that operators charge each other for competitor traffic on their networks have been regulated in South Africa and Nigeria.
- SIM registration: registering SIM cards to identify subscribers in South Africa, Zambia, Sudan, Botswana, Nigeria and Iran.
- Spectrum licences: there is a level of uncertainty around future licence requirements in many markets. Bidding processes for 3G and 2.6GHz spectrum have been introduced.
- Infrastructure and base station sharing: while there is no formal regulation in this area, it is becoming an increasing area of mutual interest between regulators and operators globally (see Managing our environmental impacts).
- Carrier preselection and number portability: to allow customers greater ease of migration from one service provider to another, regulators have introduced this in a number of the countries in which we operate.
- Consumer and data protection, and security for financial services offerings and cellphone contracts: we are closely monitoring this area as we extend mobile money and mobile banking services to more countries. South Africa's Consumer Protection Act 68 of 2008 is an example of legislation that impacts our business in this area.
- Intellectual property: we comply with intellectual property rights regulations. We also respect international sanctions and do not use specific products at operations in countries under international sanction.
- EMF concerns and the establishment of environmental authorities.
- Carbon taxes and restrictions: globally, there is a trend towards implementing market instruments to regulate carbon emissions. There is uncertainty about the likelihood of carbon taxes and related legislation across our operations. In South Africa, the National Treasury has circulated a public discussion document in this respect: MTN South Africa has responded with its position (see Managing our environmental impact).



Good governance

Our internal code of conduct covers all areas of business ethics required to maintain sound governance principles.

We support fair competition in telecommunications markets. While MTN does have a dominant market share (more than 35%) in some countries of operation, we do not support barriers to market entry as this is counterproductive to reducing the digital divide in emerging markets. Our latest broadband investment in the West Africa Cable System allowing open access to markets supported on the cable for all parties who own capacity is evidence of this (see Innovating for a changing world).

We are working to combat corruption and fraud. We have a group-wide policy and plan to combat fraud, which we define as misrepresentation that leads to additional risk for our business.

We identify and actively manage our top risks, which include procurement fraud, unauthorised electronic voucher distribution transactions and diesel theft. Our holistic management approach includes undertaking proactive fraud risk assessments, developing audit plans, and conducting fraud awareness training and reporting. Reactive sources of managing fraud include audit reports, use of our whistleblower line, investigations, the maintenance of fraud registers and departmental sources of data.

Over 2010, we have seen an increase in reported incidents of fraud. We are encouraged as this reflects increased awareness among our employees of the whistleblower line, Tip-offs anonymous.

Stakeholder engagement

Given the magnitude of impact stakeholders may have on any organisation, the ability to manage good relationships and engage with stakeholders is critical to any company's ongoing success.

Operating in diverse regions as we do, our experiences have reinforced for us the significance of good, transparent stakeholder relations.

We continued responding to stakeholder concerns as they have arisen and in relation to a range of pertinent issues managed by specialist and trained managers within the corporate affairs function across operations. However, we believed the development of a stakeholder engagement model would improve our proactive management of stakeholder issues, our effectiveness and responsiveness, and help improve our relationships with our stakeholders.

In 2010, a model based on the AA1000 Stakeholder Engagement Standard was defined and piloted. Results were shared with the Group risk and compliance

committee, which was in approval, before final improvements were made and rollout to our three regions commenced.

We aim to implement the formal stakeholder management and engagement tracking systems throughout 2011. We also wish to undertake an external assessment of MTN's reputation with media, analysts and regulators. We will report on our strategy implementation progress in 2012.

** Asterisked stakeholder groups in the table on page 21 include non-governmental and community-based organisations, special interest groups and civil society.*





About MTN's Stakeholder Engagement Model

Our stakeholders share some interests with us, and may be affected by, or have an impact on, our business objectives. Our Stakeholder Engagement model, based on the AA1000 standard, took into account current stakeholder groups and their relevance with respect to changes in the business's priorities, strategies, operating environment and the global economy. Internal departments were consulted to ensure the list of stakeholders was complete and representative. A dynamic prioritisation model was then developed, and management approaches for the three priority categories were defined. The new engagement model defines a management process that aims to be responsible, accountable and consultative, and to keep stakeholders informed. A key relationship manager will be assigned to each stakeholder group, as indicated in the table following this section.











The table that follows lists our key stakeholder groups in alphabetical order within broader clusters. This table also demonstrates the business case for engaging each stakeholder group by linking stakeholder to our focus areas and core risks and opportunities. Significant material issues are also highlighted.

As our stakeholder engagement process is dynamic, this table is a working document, and will continue to be revised and refined as we receive further feedback through our engagement processes.

	Stakeholders	Channels of communication	Links to materiality	Material issues by stakeholder group
OPERATIONAL AND BUSINESS-RELATED STAKEHOLDERS	 Customers	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Advertising ✓ Other 	Our customers are central to the sustainability of our business and maintaining market share. To build trust with our customers we need to manage our core operational risks around network performance and privacy. Staying engaged enables us to better manage regulatory risk, including compliance with SIM registration regulations	<ul style="list-style-type: none"> ✓ Communications' accessibility and affordability ✓ Price structures ✓ Reputation, trust and perception of MTN ✓ Network quality ✓ Service and product related ✓ Sponsorships and CSI
	 Employees	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Internal communications ✓ Campaigns ✓ Briefings and press releases ✓ Other 	We know that enabling our people to thrive – attracting and retaining a skilled workforce – allows us to deliver on our commitments. The attraction and retention of skilled workforce is therefore key. Motivating our people also enables innovation	<ul style="list-style-type: none"> ✓ Attracting and retaining skilled employees ✓ Talent management skills development ✓ Retaining skills: competitive remuneration and benefits ✓ Motivation ✓ Health, safety and security ✓ Internal motivation and engagement
	 Investors	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Annual reports ✓ Other 	We are accountable to our investors in ensuring the general financial and overall sustainability of our business. Investors are increasingly interested in our social and environmental performance, and in how we manage and transparently report on these issues	<ul style="list-style-type: none"> ✓ Short- and long-term financial viability and performance ✓ Sound governance practices and accountability ✓ Risk management
	 Suppliers (including strategic partners)	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Other 	A robust supply chain is also critical to managing our core operational risk associated with ensuring business continuity, viability and operational efficiency for MTN	<ul style="list-style-type: none"> ✓ Rationalisation and cost-effectiveness ✓ Ensuring ethical conduct ✓ Contributing to local economies through supplier development and enterprise development ✓ Preferential procurement/B-BBEE and empowerment ✓ Supply chain security and sustainability ✓ Terms of payment

Governance of sustainability *continued*

	Stakeholders	Channels of communication	Links to materiality	Material issues by stakeholder group
SOCIETY AND ENVIRONMENT	 Independent distributors	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Other 	Engaging our distribution chain is crucial as they are one of the face-to-face channels of contact with customers, and it is important to ensure service is friendly, effective and results-orientated	<ul style="list-style-type: none"> ✓ Procurement matters ✓ Enterprise development and economic viability ✓ Responsible marketing
	 Community*	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Other 	Engaging with communities through empowering local economies builds trust in MTN. It also adds to the robustness of the socio-economic context in which we operate. Our communities also benefit from social and environmental innovations	<ul style="list-style-type: none"> ✓ Access and inclusivity of telecommunications ✓ CSI ✓ Social and enterprise development ✓ Sound governance practices and accountability ✓ Impacts: land use; mast and base station site placing; EMF
	 Environment*	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Environmental impact assessments ✓ Other 	Managing our environmental impacts is crucial. This material issue links to cost reduction, regulatory, and tax (possible carbon tax) risk management. It also offers us opportunities for new revenue streams, especially data revenue. We are also beginning to make links between the physical impacts of climate change and business continuity	<ul style="list-style-type: none"> ✓ Compliance with regulations ✓ Impacts: land use; mast and base station site placing ✓ E-waste and recycling ✓ Climate and energy, including our carbon footprint
	 Media	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Briefings and press releases 	Media impacts our reputation and ability to engage and build relationships with customers and communities	<ul style="list-style-type: none"> ✓ Reputational issues around trust and the way MTN is perceived ✓ Research
	 Trade unions	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Briefings and press releases ✓ Other 	Trade unions impact our HR and political risk areas	<ul style="list-style-type: none"> ✓ Sound labour practices and health, safety and security ✓ Assistance and support of unions

	Stakeholders	Channels of communication	Links to materiality	Material issues by stakeholder group
REGULATORY AND GOVERNANCE	 Regulatory authorities	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Other 	Engagement with regulators is paramount in managing core operational regulatory risks (e.g. SIM and carrier pre-selection; and interconnect fees) and risks associated with competition regulation	<ul style="list-style-type: none"> ✓ Licensing and permissions ✓ Compliance with existing/new requirements ✓ Tariffs and competition ✓ Access and inclusivity of telecommunications
	 Governments	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Partnerships and collaborations ✓ Other 	Our relationships with government where we operate impacts our ability to manage political, financial and other risks. It also offers the opportunity for direct and indirect partnerships to address broader social and environmental economic imperatives.	<ul style="list-style-type: none"> ✓ Responsible political involvement ✓ Compliance with and engagement on existing/new requirements and laws ✓ Contribution to local economy, including tax and employment ✓ Access and inclusivity of telecommunications
	 Industry associations	<ul style="list-style-type: none"> ✓ Face-to-face and electronic correspondence ✓ Partnerships with private companies ✓ Lobbying ✓ Surveys, forums, road shows ✓ Briefings and press releases ✓ Other 	Engagement with industry associations enables collaboration on broader issues that affect either industry or society, and allows us to realise opportunities. This interaction also mitigates core risk associated with operational costs	<ul style="list-style-type: none"> ✓ Infrastructure and site sharing ✓ Industry self-regulation and compliance ✓ Learning from the practices of other organisations ✓ Energy efficiency ✓ Innovation

* including non-governmental and community-based organisations, special interest groups and civil society.

Managing customer needs

Our performance in 2010

- ☞ *We have gained 16 925 000 new subscriptions in 2010*
- ☞ *We conducted research into how our customers and communities perceive us in each of the 21 markets in which we operate*
- ☞ *We committed to gaining insight into our customers' spending patterns by the end of 2010, and we have achieved this*
- ☞ *As committed last year, we have extended e-billing services in Uganda*

Our business model is centred on customer experience. In order to make this experience a positive one, we focus on understanding our customers, employing the right people to meet their needs, managing service quality, ensuring efficient distribution, investing in product innovation and building our brand.



We have developed a more sophisticated customer segmentation model to offer wider product options. We work to identify and review customer expectations, and address concerns and preferences. We also ensure that our infrastructure, products and services are managed and marketed in a responsible way.

Responding to our customers

As telecommunications markets continue developing and maturing, enhancing our relationships with our customers and offering differentiated services is key to sustaining our business. There are two aspects to enhancing our relationship with our customers. The first is ensuring that our customer services are efficient and appropriate to particular markets. The second is about understanding our customers' needs and expectations and the links to our performance and sustainability. While we are sensitive to the geographic, cultural and economic diversity of the markets in which we operate, we have developed a group customer segmentation model that enables us to target the right product to the right people. We also measure customer satisfaction in all our markets.

100 000



In 2010, we surveyed **100 000 MTN customers** to make sure we understand what their needs are

We have begun to track three indicators that answer the questions:

- Does MTN best meet my needs?
- Does MTN make things better for my community?
- Does MTN contribute to the progress of my country?

We have analysed the responses within our markets and some of our innovations are based on this improved understanding of our markets. This customer segmentation model is used in solution development and in our market approach, in order to be as responsive as possible to the needs of our markets. For more information, please see *Innovating for a changing world* and www.mtn.com.

Operating a quality network enables us to retain our customers, remain competitive and maintain market share. Further, our growing offering of new-generation solutions and smart phones depends on quality network coverage. We have responded to the ever-increasing demand for access to telecommunications services by extending our footprint, especially in rural areas. Over the past few years we have devoted considerable attention to ensuring our services are reliable and can be used as platform to add value to people's lives through access to, amongst other, educational, business, and agricultural and health.

Our capital expenditure is divided into six categories:

- Infrastructure to enable 2G and 3G connectivity
- Cable/fibre investments to bring broadband connectivity to Africa and the Middle East

- IT and VAS infrastructure to support our service provision
- Physical infrastructure such as base stations (using conventional and renewable energy)

In 2010, we invested R19,5 billion to expand the number of base stations, increasing network capacity and prepare for new-generation solutions, extend coverage, improve infrastructure management and enhance customer service levels. As we progress in meeting our investment goals in a number of our operations, we are reducing our capital investment. For more information about our capital investment strategy, please refer to the MTN 2010 Integrated Report on www.mtn.com.

We ensure we track a number of indicators to determine whether we are responsive to the service needs of our customers. These include call centre satisfaction measures, resolution to online, email and face-to-face queries and complaints, including ombudsman or regulatory matters, network performance (reliability, accessibility, performance and quality) and speed of resolution.

Due to the varying nature of our 21 markets of operation, we have not consolidated and presented the results, at an overall Group level, in this report.

Consumer safety: cellphones, masts and health

Electromagnetic frequencies (EMF) or radio frequency (RF), a natural phenomenon, is also emitted as a result of various technologies including electrical power lines, computers, microwaves, radios and television.

Managing customer needs *continued*

In MTN's business, EMF emissions are most associated with mobile telephones and the base station antennae that enable mobile communications (as well as with the use of computers).

For us, a responsible network means that we manage the safety and environmental impacts of our infrastructure. Failing to manage these areas would impact our economic performance, reputation, relationship with our customers and staff, and our compliance with national and international regulations and best practice.

MTN has a clear and consistent policy regarding our EMF emissions that takes all pertinent stakeholders into account. Our staff, customers, communities and regulators have a vested interest in the way we manage this issue. The major concern of these stakeholders is the impacts of EMF on human health.

We recognise this as a valid concern and therefore invest time and effort in keeping up to date on the latest international research and scientific consensus. We comply with international standards endorsed by:

- the International Commission on Non-Ionizing Radiation Protection (ICNIRP);
- the World Health Organization (WHO); and
- the Institute of Electrical and Electronics Engineers (IEEE), the National Radiological Protection Board (NRPB (UK)) and European Union (EU) standards, which have also been brought in line with ICNIRP guidance.

We have specific measures in place to manage EMF for mobile handsets and base transceiver station (BTS) sites. The only MTN operations that distribute handsets at scale are in Nigeria and South Africa. In South Africa, handset vendors are required to provide certificates of approval to the Independent Communications Authority of South Africa (ICASA). These certificates are based on the Electrical Safety Testing EN50191 and European Standard for Safety of Battery Chargers ENE 03352-29 standards. In Nigeria, approval by the Nigerian Communications Commission (NCC) is required to ensure that all handsets and equipment comply with international specifications and regulations.

With respect to BTS sites in all countries of operation, we comply with the 1998 ICNIRP Guidelines for limiting exposure to EMF. In countries where there is existing safety legislation and regulations in place, we implement the more robust framework. The country CEO and CTO are responsible for implementing EMF guidelines resides. This responsibility includes implementing a Compliance Programme that incorporates:

- evaluation of RF field exposures and identification of hazard zones with high RF exposures;
- implementation of site control measures to avoid overexposure of the public and MTN employees or contractors (this includes RF Awareness Training for all employees or contractors working at sites);
- documentation and control measures in place for site management and audits;
- consistent monitoring and maintenance of the process; and
- an audit on compliance to ensure that all third parties operate in line with policy.

For more information on staff safety, please also see our section on Our People, in this report.

Getting the answers on EMF

How do I know that mobile communications are safe?

The issue has been under intense scrutiny by independent organisations such as the WHO, ICNIRP and numerous governments for almost 10 years. There is consensus that there is no risk based on exposure levels below the international guidelines.

What kind of radiation is dangerous?

Radiation above internal guidelines for safe exposures is dangerous. However, mobile technology emits radiation levels below the international guidelines for safe exposure – i.e. similar to radiation from your TV or radio towers.

What about long-term exposure for children?

The latest findings suggest there is no long term risk for children. This research is ongoing and we ensure we keep track of results of studies released, so that we, our customers and our communities stay informed.

What about precautions like hands-free devices for mobile telephones?

While there is no good technical or scientific reason to do so, extra precaution – beyond the latest scientific evidence – is your prerogative.

Where do I go for more information?

We base our position on the latest findings of organisations including the World Health Organisation (WHO), International Commission for Non-Ionising Radiation Protection (ICNIRP) and the GSM Association. International guidelines on safe exposure are based on shared consensus between these and other bodies. For more information visit www.who.int/peh-emf or www.icnirp.de or www.gsmworld.com/publicpolicy.

Innovating for a changing world

Our performance in 2010

- ☞ *MobileMoney has been introduced to 11 markets to date and now reaches 4,3 million customers*
- ☞ *We have partnered with Western Union, ezetop and Sochitel global payment services providers to enable cross-border money or airtime transfers on MobileMoney. The partnership with Western Union is being piloted in Uganda, our largest mobile money market*
- ☞ *We are introducing mi-life and MobileMoney insurance solutions in 2011*
- ☞ *We have invested a total of R1 520 million in submarine cable infrastructure during 2009 and 2010*
- ☞ *Our infrastructure investments have increased broadband capacity utilisation by 400% in SEA*
- ☞ *Network upgrades continue to support converged IP-based services including 3G and WiMax*
- ☞ *MTN Ghana's Innovation Hub, launched in 2009, netted 330 ideas in 2010. Successful implementation of over 40 great ideas (33%) led to improved operational efficiencies and processes*
- ☞ *Mobile Entertainment Forum (Europe, Middle East and Africa), a global trade body representing leading companies in the mobile media and entertainment industry, appointed Group Senior Vice President for Commercial and Innovation, Christian de Faria, as a Board member*

Innovation is more than the products and services we offer – it is about the way we do business.

Christian de Faria, Senior Vice President for Commercial and Innovation

Innovating for a changing world

The power-balance between mobile operators and consumers is changing. Many service providers are offering open-source applications and new platforms for communication, business and entertainment. The way people talk, commute, listen to music, access services, organise and manage finances is transforming. For instance, 70% of music sold globally is now sold online. The increasing use of data services, social networks and smartphones and other mobile devices will continue to affect a significant portion of voice revenues of operators, even in underserved areas (e.g. rural markets) and international traffic. In Africa, the mobile phone has become, for many users, especially in the rural areas, the first and often the only means of access to telecommunications, particularly in an emergency. To stay relevant and competitive, we need to innovate in the data and services domains.

Further impetus for innovation comes from our social and natural environment. There is increasing global awareness around society's environmental impact, particularly energy and water resources. There also remains the need to address the digital communications divide, and the opportunity to offer solutions such as access to finance, health, commercial and other services through mobile technology. The potential of global ICT and telecommunications to support social and environmental requirements is globally acknowledged by organisations such as the United Nations and the International Telecommunications Union.

The world today holds many business opportunities for MTN. Sustainability can be a potent driver for innovation⁷. Innovation is one of the pillars of MTN's strategy. Our strategy is to embrace changes. We have started to implement this strategy through developing partnerships including with 'non-traditional' competitors, manufacturers, academic institutions and strategic partners in both the ICT industry and beyond.

⁷ Ram Nidumolu, C.K. Prahalad, and M.R. Rangaswami (2009) 'Why Sustainability Is Now the Key Driver of Innovation' *Harvard Business Review* (September 2009). Available online at: <http://hbr.org/2009/09/why-sustainability-is-now-the-key-driver-of-innovation/ar/1>.

We are also developing our own applications, ensuring these are relevant to the needs of our markets.

We refreshed our approach to innovation through the creation of a dedicated innovation function driven by the Senior Vice President for Commercial and Innovation. However, we are very clear that innovation is not the sole responsibility of a single function: everyone is an agent of change. We therefore started developing communication channels for all employees to share their ideas. A quick response and evaluation mechanism will be used to determine potential ideas that should be developed further. We started a process of identifying an innovation champion in every operation. We also plan on using our Y'ello Stars (see Enabling our people to thrive) to recognise and reward innovation within our company.

Addressing the digital divide

MTN was the first operator to launch prepaid airtime in response to the need to offer mobile communication services to a broader base of consumers.

Most of our products are used by a range of customers across geographic and economic segmentations. We also target certain customers in low-income groups. 'Low income' is defined differently in each of our markets in response to specific economic factors. However, a generic definition reflecting our understanding of customers at the base of the pyramid used in this report.

Affordable access to telecommunication services is an enabler of economic inclusivity and development. To enable affordable



communications, we have made ultra-low-cost handsets (US\$13) available to our customers, in partnership with Huawei and ZTE. Virtual Number enables customers without handsets to make calls, receive financial remittances, and send text messages. Our 'please call me message service' allows our customers to request a call at no cost. MTN Zone, a dynamic pricing solution, offers prepaid customers discounts of up to 100% of call costs, based on free network capacity. MTN Afghanistan now offers free calls between MTN users for five hours from midnight each night.

MTN Uganda and Grameen Foundation USA's VillagePhone solution of over six years has contributed to the rise of (often female-owned) micro-enterprises focused on extending rural telephony services. MTN Uganda's Google SMS information service for businesses, farmers, health and trading needs continues to extend access to information services to previously excluded markets. MTN Electronic Voucher Distribution enables vendors to sell airtime via their cellphones, making airtime top-up quick and convenient, while creating enterprise development opportunities.

MTN Nigeria's Rural Telephone Project, launched in 2002, was awarded the 2009 Africacom 'Changing Lives Award' for rural women-owned enterprise development.

MTN Business continues to provide internet connectivity services as a preferred supplier to the South African Department of Education's Teacher Laptop Initiative. In partnership with the Refugees United, Ericsson and local partners, MTN Uganda offers a connection solution for refugees who have been displaced by war, persecution and natural disasters to be matched with each other after they have registered their details via SMS or mobile internet. The mobile platform for this pilot is available in three languages.

MTN International Roaming (not developed directly as a response to the digital divide) provides certainty and control around the costs of communication while travelling, enabling MTN customers to control costs when travelling in all MTN alliance destinations in Africa and the Middle East.

M-services, data and smart solutions

Our M-service (Mobile Services) or electronic service is a portfolio of services currently under development or recently launched in response to the needs of our markets for converged and integrated voice and data offerings.



For example, MTN InternetOnTV, a home phone and internet device in one, including a built-in 3G modem, was launched in South Africa. MTN Traveller, a mobile application that allows mobile users to browse for and book accommodation and car rental services via their phones, was also launched in South Africa.

We are also working on the introduction of near-field communications such as e-ticketing, e-money, e-keys, and e-identity documents.

MTN MobileMoney allows customers to perform a range of basic financial transactions using a cellphone without the need for a bank account.

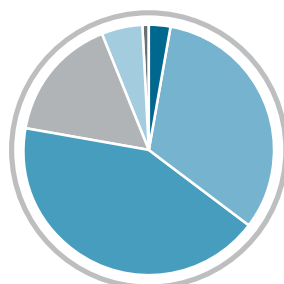
This includes financial remittances, bill payments, retail payments, cash withdrawals, airtime purchases and bulk payments, e.g. for employee salaries.

MobileMoney therefore opens access to financial services for our unbanked customers, which represents a large proposition of our customer base in many of our markets.

For our banked customers, this replaces the need for cash and cards. It enables access to banking services for those whose location has previously prevented it, and is especially relevant to rural communities.

MTN MobileMoney has been introduced to 11 markets to date and now reaches 4,3 million customers.

MTN MobileMoney users by country (December 2010)



■ South Africa (120 000)
■ Uganda (1 403 000)
■ Ghana (1 838 000)
■ Ivory Coast (691 000)
■ Rwanda (231 000)
■ Benin (16 000)

MobileMoney in Uganda: Performance in numbers

- USD532 million transferred between March 2009
- USD21: average transaction value (average Ugandan person lives on less than USD1 a day according to 2007 World Bank survey)
- Approximately 60% of transfers are to rural area recipients, serving the underbanked

We plan to launch MTN MobileMoney in Afghanistan, Botswana, Congo-Brazzaville, Liberia, Nigeria, Sudan, South Africa, Swaziland, Syria and Zambia over the course of 2011, and subject to a satisfactory conclusion of a number of regulatory and system processes, and financial partner discussions.

A significant section of the population of emerging markets may have emigrated for various reasons, including for economic reasons. Migrants often support families back home, and their remittances may contribute a notable portion to national GDPs. We recently introduced cross-border remittances in partnership with Western Union. This allows customers to send and receive money internationally, using their cellphones alone. We also entered into an agreement with the ezetop and Sochitel to enable people based

out of country to send airtime to MTN subscribers back home to their loved ones, or to conduct business. Our agreements are applicable to all 21 countries in which we operate, but will be rolled out over time.

We are developing a range of mHealth solutions, some of which will be available in some of our markets in 2011. This encompasses community and clinical health data collection, delivery of healthcare information to practitioners, researchers and patients, and services to clients via mobile telemedicine. We are also developing mi-life, an insurance solution designed to meet the growing demand for efficient, cheap and simple insurance services across developing markets, using a mobile handset.

MTN Business's 360° service offering is designed to offer reliability and availability, ensuring customers can enjoy peace of mind. We offer solutions as cloud computing services (internet-based access to applications developed, stored and maintained by third parties) for corporate clients, business continuity and disaster recovery sites for clients, server and storage virtualisation services, and video-conferencing for small, medium and large-sized companies. These solutions allow our customers to save capital, operating and environmental costs.

The ICT sector has the potential to provide some solutions to climate change challenges⁸. MTN can influence cost and energy efficiency, and improve environmental management, in other sectors of the economy by developing innovative solutions. Responding to our customers' needs to climate change and improve operating efficiencies by offering smart management solutions opens a new area of data revenues for MTN.

M2M uses a device (sensor, meter, etc) to capture an event (e.g temperature, atmospheric changes, water levels, inventory changes, etc) to relay data through a network to a software programme, that translates data into meaningful information, e.g. water level, has exceeded pre-set limits and could trigger flooding. Industries that generally utilise M2M solutions include fleet management, consumer, healthcare, energy and utilities, security, and industrial and retail (including building control), amongst others.

For example, MTN Mobility Applications uses the MTN Business network and the latest Enterprise Digital Assistant from Motorola and Microsoft to allow machine-to-machine (M2M) remote control. This enables corporate and industrial customers to improve energy efficiency (other

benefits include reliability of their business processes). Our telemetry partnerships include an application for fleet management, allowing companies to track vehicle movement in real-time, and monitor aspects including fuel cap and ignition access, as well as lock vehicles down if needed.

MTN's smart office management allows clients to track work flows of mobile workers, while Mobile Surveys allows for paperless surveys, and increased efficiency and automated data collection. To address the challenge of fixed-mobile convergence, MTN Business now offers a universal number solution that allows people to remain connected telephonically, no matter where they are or what device they are using. Unipresence is a service that eliminates the need for desk phones by employees, offering mobility and connectivity to office workers. An added advantage is the flexibility that allows users to transfer calls to their cellphones mid-call, without ending the landline telephone call. We are also investigating M2M solutions for air quality management and automated meter monitoring.

MTN Business offers data centre solutions to clients. By retrofitting facilities in Gallo Manor (South Africa) to become more energy efficient, we are reducing the cost of our business offering, and the Scope 3 carbon emissions (defined by the Carbon Disclosure Project) of our clients.

⁸ The Global e-Sustainability Initiative (GeSI) has published notable publications making this case: Smart 2020 (2008) <http://www.gesi.org>

Benefits of MTN's cable investments:

- Helping liberate communications market from the costs and limitations of satellite connectivity
- Increasing international communication capacity available on African continent
- Helps MTN bring data offering in line with voice offering
- Increases feasibility or economic incentive for software and application vendors to offer their services in Africa without traversing Europe to obtain international data access
- New consumer opportunities, e.g. mobile internet
- Improved bandwidth quality and connectivity
- Reduced OPEX for operators, and reduced wholesale and retail pricing

Broadband for growth

The ITU identifies broadband as a “powerful potential accelerator towards the Millennium Development Goals (MDGs)”, given the role of technology and communications in reshaping people's lives economically and socially.

MTN's product and service innovation is motivated by a sound business imperative to remain competitive as well as a social imperative to bridge the digital divide.

The future of communications networks is high-capacity infrastructure that enables cheaper, more

inclusive broadband access, and supports a range of new products and services, as communications become more data-intensive and data-centric. This opens up a new space for innovation in areas such as financial and medical services, and ensures our market competitiveness.

Until recently, Africa has relied on very expensive and very limited satellite communications systems to enable most forms of communication. We are focused on enhancing and distributing international broadband through the development of fibre-optic infrastructure to stimulate low-cost product and service growth in MTN markets. MTN has invested, directly and indirectly, over USD230 million in submarine capital capacity since 2009.

Through the introduction of at least two new cables (EASSy and TEAMS) by MTN over the past three years (to be followed by EIG and WACS in 2011) we hope to increase communication capacity, while attacking connectivity costs, in Africa and the Middle East. These investments link internet providers directly to servers based in Europe, and boost bandwidth in Africa, which remains the least connected region in the world. In addition to investing directly, we also acquire capacity off other submarine cables (SAT3/SAFE, Main-1, ACE, Seacom, SEMEWes, IMWE, and TATA) in order to provide capacity at affordable rates to our markets.

Measuring the direct socio-economic contribution as a result of our investment in

In 2009, the World Bank found that every 10% broadband penetration in low- and middle-income countries accelerates economic growth by 1,38%. MTN's investment of R594 million during 2010 is the largest investment in the WACS cable system. We have championed the need for an open-access system on this cable: any party with capacity on the cable can sell broadband access in any market, resulting in competitive service quality and pricing. This model will also release pent-up demand for connectivity previously impeded by an artificially high process.

broadband capacity will be a significant challenge. However, we have found that our investment in the TEAMS and EASSy solutions has seen a

93% broadband

☞ delivery cost reduction, has stimulated a **400% increase** in broadband capacity utilisation in the SEA region, and reduced reliance on expensive satellite capacity by MTN Rwanda, MTN South Africa, MTN Uganda and MTN Zambia.

While our customers have benefited directly through cheaper product offerings and a subsequent significant increase in broadband use, the benefits are greater currently in the wholesale market, compared to the retail market, largely due

to the capital investments required to upgrade retails access or delivery networks (e.g. 3G base stations, network equipment, etc). We expect similar results in MENA and WECA in the future, and, as activation of service and market uptake matures, we expect to quantify results more effectively.

For most subscribers in emerging markets, their first experience of the internet will be via a mobile handset. Our investments are a significant first step in improving connectivity in developing countries, in both urban and rural areas.

MTN's investments (Y'ello Africa Fibre Ring) in fibre-optic submarine and terrestrial (undersea and land) bandwidth are described on the map on page 32.

■ The East African Main System (TEAMS)

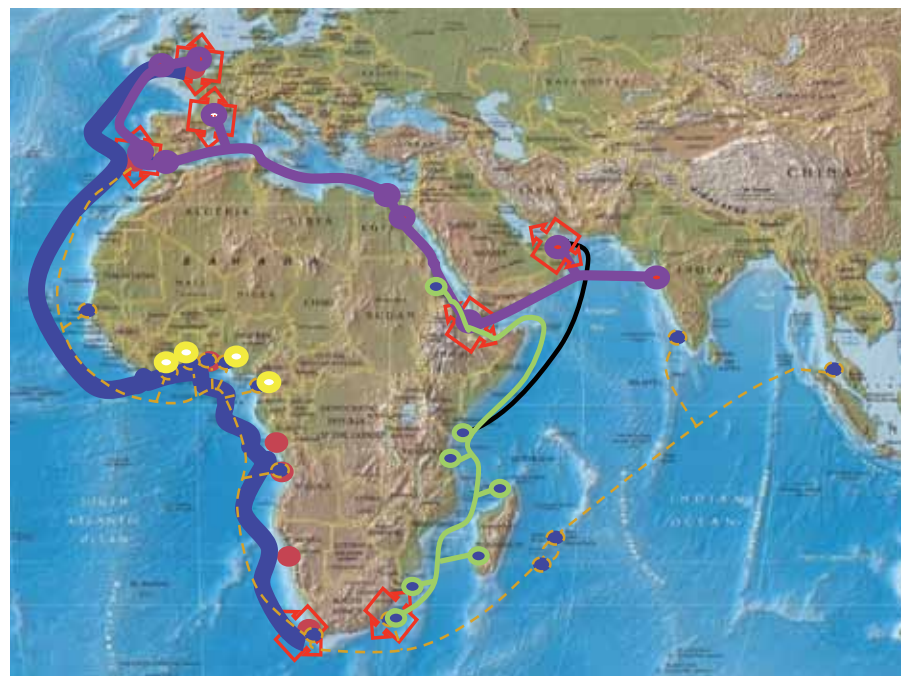
- MTN's investment: US\$10 million (R66,1 million) (approximately 2% of cable ownership)
- Capacity: 1.2 Terrabits per second
- Live in October 2009

(SAT-3/ SAFE)

- MTN's investment: > US\$10 million (R66,1 million)

■ East Africa Submarine System (EASSy)

- Total investment: US\$260 million (R1,72 billion)
- MTN's investment: US\$40,3 million (R266,4 million)
- Capacity 1.4 Terrabits per second with upgrade ability to 4 Terrabits per second
- MTN is one of first cable investors
- Went live in August 2010



■ Europe India Gateway (EIG)

- Total investment: US\$700 million (R4,63 billion)
- MTN's investment: US\$50,36 million (R332,9 million).
- MTN share: approximately 8%
- Capacity: 2.88 Terrabits per second
- In service but partial activation, expected service March 2011

■ West Africa Cable System (WACS)

- Total investment: US\$650 million (R4,3 billion)
- MTN is largest investor: US\$90 million (R602 million)
- New-generation cable with internet bandwidth of 5.12 Terrabits per second
- 14 000 km: London to South Africa
- 15 landing stations along African Atlantic coast
- Terrestrial extension to landlocked countries: first in Botswana
- Expected live during 2011
- Expected increase in Africa's fibre-optic cable capacity: 23%

Managing our environmental impacts

We have examined our business and identified our key environmental impacts and areas where we have the leverage necessary to have a significant positive impact.

"The impacts of climate change will fall disproportionately upon developing countries and the poor persons within all countries, and thereby exacerbate inequities in health status and access to adequate food, clean water and other resources."

Dr RK Pachauri, Chair of the Intergovernmental Panel on Climate Change (IPCC)

The state of the environment is a material concern for us. Operating in developing countries, the importance of addressing socio-economic is self-evident. However, we also know that those with social and economic vulnerability are also most vulnerable to environmental change and volatility. The measured and anticipated impacts of climate change on economies and livelihoods where we operate in Africa and the Middle East are potentially devastating.

Beyond this ethical imperative to manage our present and future environmental impacts, we see a sound business case. The anticipated physical impacts of climate change, including more frequent extreme weather events, will impact our infrastructure and our ability to access this infrastructure. Significantly, we also have the footprint and capacity needed to explore exciting innovation in this space. Environmental challenges are also business opportunities: to become more efficient, to save costs and to explore product innovation.

Our performance in 2010

- ☞ *We committed to addressing the impact of e-waste in 2009: we have developed the scope and committed resources through a Pilot Partnership programme for three years in South Africa starting in 2011*
- ☞ *We improved the scale and scope of our carbon footprint assessment in order to determine business opportunities, risks and areas for efficiency improvements*
- ☞ *We accelerated investment in less carbon-intensive and renewable energy power sources for operations*

Following our business assessment, we have focused on two areas:

- Developing an environmentally responsible network in response to climate change and energy constraints, while responding to the business need for cost management and efficiency.
- Exploring our role in managing the global challenge of electronic waste (e-waste).

Carbon, climate change, energy and efficiency

MTN was among the first companies in our markets to sign the 2010 Cancun Communiqué on Climate Change declaration, affirming our commitment to addressing climate change.

We know that our greatest leverage in addressing climate change is providing our private customers and those in business and government with the products and services to empower them to use energy more responsibly (see *Innovating for a changing world*)⁹. We are also working to reduce our own carbon footprint and energy consumption.

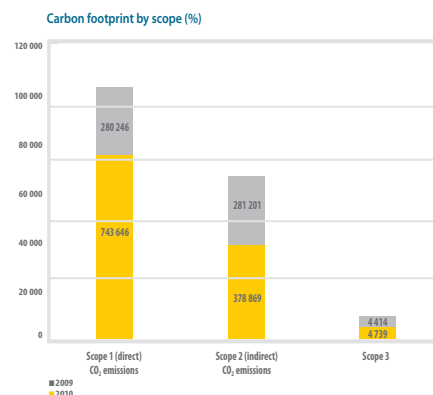
⁹ See the *GeSI Smart 2020 (2008)report* at <http://www.gesi.org/LinkClick.aspx?fileticket=tbp5WRTHUoY%3d&tabid=60>

Managing our environmental impacts

continued

Carbon footprint

Our carbon footprint for 2010 is 1 124 236 tons. The scope of the carbon footprint has been expanded in relation to 2009. It now includes MTN Nigeria, Ghana, Uganda, Cameroon, Zambia, South Africa, Iran, Syria, and MTN Business which represent 80% of Group by subscriber number, and 95% by total Group revenue.



The detailed FY'10 Group carbon footprint will be published on www.mtn.com/sustainability at the end of May 2011 and on www.cdproject.net at a date and time of the Carbon Disclosure Project's discretion. Our full FY'09 report is also available for review on www.cdproject.net.

Climate change risks to our business

Analysing the CO₂ intensity of our operations, allowed us to identify opportunities for reducing environmental impacts, mitigate climate change-related risks and reduce energy costs.

During 2011, we plan to use the results to inform the development of our Group Climate Change Management strategy, which is due in 2012.

Key climate change-related risks to our business include:

- Risks associated with the physical impacts of climate change:
 - Damage to infrastructure.
 - Decreased efficiency and effectiveness of infrastructure due to increases in average ambient temperatures (including efficiency of technical equipment and the transmission of energy/data across fixed line distribution networks).
 - Possible prolonged service interruptions.
- Risks associated with the financial/regulatory impact of climate change:
 - Increasing energy costs.
 - Potential regulation of carbon outputs and carbon taxes where a number of countries in which we operate have voluntarily signed up to the Copenhagen Accord. In South Africa, the National Treasury has published a Carbon Tax Discussion Paper, in response to which we have submitted our comments.

Energy efficiency, security and lower carbon impact

During our initial carbon footprint study, MTN learnt that base stations, switches and data centres use significantly more energy than traditional offices. This therefore presents

the greatest opportunities for reduction.

Energy efficiency and investment in alternative technologies will help us to mitigate the impact of rising global energy prices, energy insecurity and possible future carbon taxes.

During 2010, we increased our focus on optimising energy efficiency, and this approach also contributes to cost management and business continuity objectives. Our operations are pursuing a number of specific energy-efficiency initiatives. Our Base Station Toolkit specifies approved and trial technologies to reduce total site costs including building materials and equipment, services and energy requirements, and reduction of carbon emissions. We aim to develop relationships with product vendors in order to source the most suitable solution for local operating requirements.

The diagram that follows indicates some of our renewable energy, lower-carbon and other engineering solutions to reduce the operating costs, predominantly energy and fuel, and carbon intensity of network sites.



Our website www.mtn.com/sustainability provides detailed case studies and examples of MTN's energy- and cost-efficiency projects. These case studies include our efforts to green our head office campus in South Africa and attain Leadership for Environmental Energy and Design (LEED) Level Two certification, while maintaining our ISO 14001 status. Amongst projects profiled on our website, we describe:

- MTN South Africa's 14th Avenue 2MW methane gas and combined heat and power (tri-generation) plant; and our hybrid solar and wind-powered site contributing to community inclusivity, in Riemvasmaak, South Africa; and
- MTN Zambia's hybrid solutions that save costs, extend rural telephony and reduce community phone charging costs.

These case studies quantify the environmental and social benefits we have seen as a result of our projects.

Some operations are voluntarily participating in the GSMA Mobile Energy Efficiency (MEE) Benchmarking for Mobile Networks' project to determine opportunities for reducing energy consumption, costs and emissions. GSMA hopes to use this process to develop a network energy-efficiency methodology that can be adopted as a global industry standard.

Managing our environmental impacts

continued

One of our key strategic initiatives in becoming more efficient is to share network infrastructure. Co-location or site sharing with one or more network operators is outlined in our Base Station Toolkit. A Booz Allen Hamilton study¹⁰ has shown that set-up costs of up to 40% and utilisation costs of another 20% could be eliminated through co-location. Co-location also improves speed to market, enabling rapid consumer access to telecommunications, particularly in rural, underserved areas with poor infrastructure.

Co-location also reduces the overall environmental impact of national communications infrastructure by decreasing the amount of infrastructure required per individual operator. Benefits include reduced energy requirements for cooling, reduced infrastructure proliferation and network duplication, and therefore reduced terrestrial and other environmental impacts.

Depending on the nature and type of shared infrastructure (site, mast, core network or radio access), MTN expects a decrease of operational costs of in the range of 50% to 60% through co-location. Other benefits include Capex savings on shared-risk of redundancy as a result of migration to new-generation networks.

We continue to explore various permutations of the costs and benefits of passive infrastructure sharing in our key markets, and are pursuing more extensive passive infrastructure sharing in general, whilst taking into consideration the unique prevailing circumstances in each market. Our first major partnership in this respect is the MTN Ghana-American Tower Company (ATC) TowerCo Ghana partnership. MTN Ghana is the anchor tenant, on commercial terms, on each of the towers being purchased. In addition, TowerCo Ghana is expected to build at least 400 more sites for both MTN Ghana and other wireless operators in Ghana over the next five years.

Ultimately, we also hope to establish a tower holding company at sub-Saharan Africa level.

Climate change-related opportunities

"ICT's largest influence will be by enabling energy efficiencies in other sectors, an opportunity that could deliver carbon savings five times larger than the total emissions from the entire ICT sector in 2020"

The Climate Group and Global e-Sustainability Initiative.

While ICT companies are responsible for less than 2% of GHGs globally, according to the Gartner Group's industry survey in 2007, everyone is responsible for reducing their impact. There are

significant opportunities for MTN to reduce its direct impact and to develop solutions that will reduce the impact of other sectors.

As an ICT company, MTN's role in reducing the impact of other sectors through de-materialisation, which includes substituting high carbon or physical products with electronic solutions such as e-commerce and video conferencing. ICT solutions to improve transport and storage efficiencies, monitor air quality and building energy-efficiency present further opportunities for us. Further detail on MTN's smart solutions and innovations are available in the Innovation section of this report.

E-waste management

In 2010, we developed our response to the challenge of e-waste. We will begin our three-year MTN South Africa e-waste pilot project by the second quarter of 2011.

The challenge to which we are responding is substantial. E-waste is an issue of increasing prominence for ICT companies. Submissions to the United Nations Environmental Programme (UNEP) in Bali express increasing concern over the scale, scope and impact of the growth of e-waste globally.

This problem is also related to issues of economic disparity as e-waste from developed nations often finds its way to developing countries. Enforcement

¹⁰ *Telecomm Infrastructure Sharing: Regulatory Enablers and Economic Benefits, 2007*

and regulation have frequently been unsuccessful in addressing the problem. Where legislative frameworks fail, vulnerable adults and children are left exposed to toxic e-waste. Responsible e-waste disposal units face challenges related to volumes of e-waste to which they have access.

We have responded to this challenge by forming a bridge between the generators of e-waste (consumers) and organisations with capacity to facilitate responsible management and disposal (recyclers).

Our partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been formed to:

- increase national awareness around e-waste and the need for consumers, businesses and other stakeholders to be responsible during disposal;
- enable enterprise development due to manual processing of waste, rather than reliance on automation;
- create income sources and job security at a small scale within partner enterprises; and
- make a small contribution to the Millennium Development Goals' objectives.

We will achieve this through a three-year pilot programme in South Africa, focused on:

- public awareness, education and communication;

- e-waste collection;
- downstream supply;
- enterprise skills development and training;
- contributing to the realisation of green job creation; and
- recycling standards and auditing of the recycler practices, including assurance of where and how 'leftover' e-waste is managed (leftover or fractions are those elements of e-waste that are not considered sufficiently valuable by recyclers and may, therefore, in many instances, not be recycled or disposed effectively and responsibly).

The pilot will initially be rolled out in two major cities in South Africa commencing in quarter 2 of 2011. Draft baselines, targets and KPIs developed in 2010 will be finalised at this point. Progress will be reported on in 2012. The implementation of the partnership will be rolled out in a number of phases. A successful pilot will allow us to roll out e-waste solutions across our African and Middle Eastern operations.

Benefits of this project include:

- reduced waste to landfills;
- reduced stakeholder exposure to toxic waste;
- generation of sustainable income and employment; and
- increased public awareness.

As the issue of e-waste is a significant challenge requiring the response of various companies and industry sectors companies¹¹. We are open to working in collaboration with customers and community stakeholders, competitors, suppliers, other interested companies, and e-waste value chain partners.

Developing an environmentally responsible network

Managing the environmental impacts of our network infrastructure includes managing the EMF and RF fields associated with this infrastructure responsibly. This issue is addressed in detail in Engaging our customers.

The Group's Environmental Management Policy is supported by our Environmental Management System (EMS).

The EMS sets out essential environmental processes and procedures to manage site construction and infrastructure implementation effectively. The programme also extends to waste minimisation, prevention of pollution, management of land, unique flora, forests, water and wildlife. This ensures a clean and healthy environment for all employees, shareholders, customers, contractors, suppliers, the community and other interested parties.

¹¹ See the GeSI's project online at <http://www.gesi.org/Initiatives/eWaste/tabid/73/Default.aspx>

Managing our environmental impacts

continued



Our environmental requirements with respect to network implementation specify considerations and actions during pre-construction and construction phases. This includes impacts from maintenance, servicing, disposal or waste management, and decommissioning of significant products, services and activities that may have a significant impact on the environment, and over which we have control or can influence. These requirements are extended to contractors and other service providers with whom we engage. Due to the complexity of site build projects, we require our project managers to ensure contractors (especially new contractors) are trained on project specifics.

Environmental management addresses all physical impacts associated with building network sites as well as laying fibre-optic cables on the ocean floor and landing them once they reach the shore. We carry out environmental impact assessments at every stage of construction of new infrastructure. All fibre backhaul undergoes standard impact assessment. Assessment for environmental impacts in international waters is carried out by Environmental Resources Management (ERM), an independent consultancy. ERM also vets reports on environmental impacts submitted by our suppliers operating in territorial waters. Simultaneous assessments are carried out by local authorities in territorial waters. This process allows any possible impacts on communities,

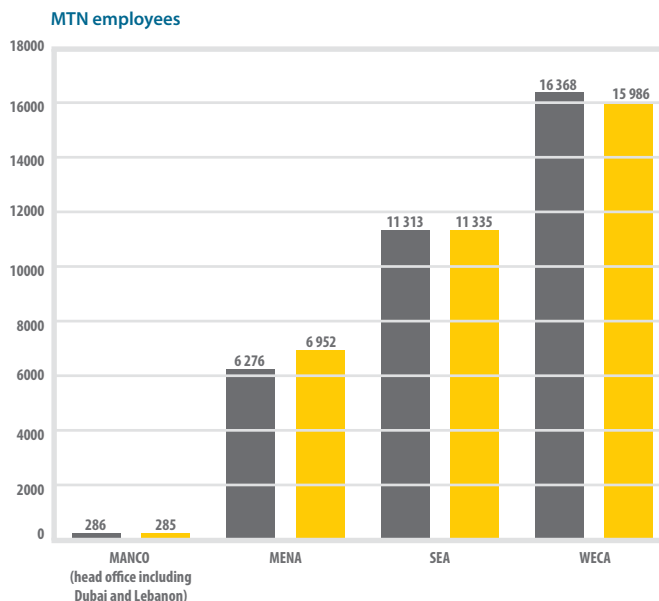
fisherman and economic activities, which may depend upon healthy and robust marine eco-systems to be identified and addressed. All infrastructure development is signed off by local government and regulatory stakeholders. Our operating licences are subject to requirements for extensive environmental assessment for potential terrestrial impacts of our infrastructure.

Investing in our people

We recognise the integral role that a skilled and motivated workforce plays in the evolution of our business, in pursuing innovation, and in our long-term sustainability.

Our 34 588 employees are located across our 21 countries of operation.

The graph below demonstrates the geographic distribution of our employees.



Our performance in 2010

- ☞ We have updated our Employee Value Proposition based on independently verified employee survey results. The EVP will be rolled out during 2011
- ☞ We invested ZAR182,156 million on training, and offered 49 691 learning and development programme courses to our employees during 2010. This number has increased substantially from 37 021 in 2009



Investing in our people *continued*

Talent management

Employee value proposition (EVP)

We have responded to the challenge of skills shortages and retention by reviewing our employee value proposition. We engaged our employees to find out what they value most in their work environment¹². This included the clarification and assessment of key performance indicators that measure employee attraction and retention drivers.

Employees indicated they most value future career opportunities, development opportunities, compensation, stability and respect. Based on this we have identified that brand strength, leadership, staff investment, maintaining a globally diverse culture, and reward and recognition are the pillars supporting our EVP. We will be implementing actions to drive employee well-being, motivation and retention during 2011.

Compensation

As a component of MTN's reward offering, permanent employees are offered a variety of both monetary and non-monetary benefits. A key component of attracting and retaining the best calibre employees is competitive compensation in relation to the labour market. There are no notable variations in salary entry levels across major operations. Across all major operations, there is also no salary differentiation based on employee demographics such as gender, race, age or any similar characteristics. All salaries are benchmarked against other comparable compensation in local labour markets.

Most of our operations offer salaries at or above the market median.

Our major operations (Ghana, Iran, Nigeria, South Africa and Syria – defined in terms of contribution to our revenue) provide retirement planning, medical aid or health insurance (including for immediate family members), and death and disability cover benefits to our permanent employees.

As skills retention is such a significant issue for our business, we need to track our performance with respect to compensation. We track staff turnover by operation and by region as part of our internal data management.

Learning and development

All training management is being centralised under the MTN Academy, which has been in operation for three years. Strategic initiatives developed at a Group level and rolled out across the board enable Group-wide development of specific competencies. We also have channels which identify specific training needs for operations. Appropriate training is then facilitated.

A total of 1% of payroll is earmarked for MTN Academy courses. Altogether 48% of this amount was spent last year; however, improvements in our financial management of training will mean that we hope to spend 100% of this amount in 2011.

Training programmes cover commercial areas (sales, marketing and customer services), technology systems (network and information

systems), business acumen (MTN business and generic business skills) and leadership and behavioural training. Targeted training for our leadership is conducted, and we have clear succession planning in place to facilitate smooth and successful leadership transitions. Through a detailed talent development strategy guided by our talent management policy we deploy various interventions including job rotation, international assignment and secondment to develop and grow our key resources.

Graduate recruitment programmes are in place at 20 of our operations. These programmes are run locally so as to ensure relevance and appropriateness. Internship programmes also support our recruitment process.

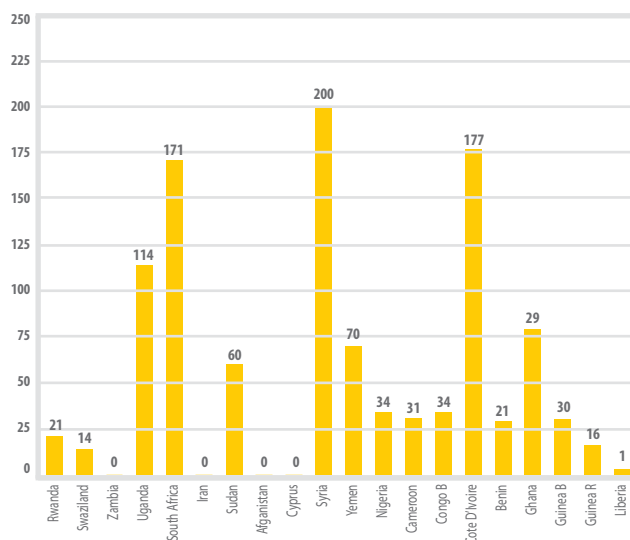
R182 156 million was invested in training programmes across our operations in 2010. Our training programmes have reached over 25 000 employees over three years (classroom and e-learning).

As part of our training in 2011, we will be undertaking various initiatives that help our employees to contribute to the MTN sustainability journey. This includes training around the MTN Carbon Footprint initiative, and general sustainability engagement and awareness.

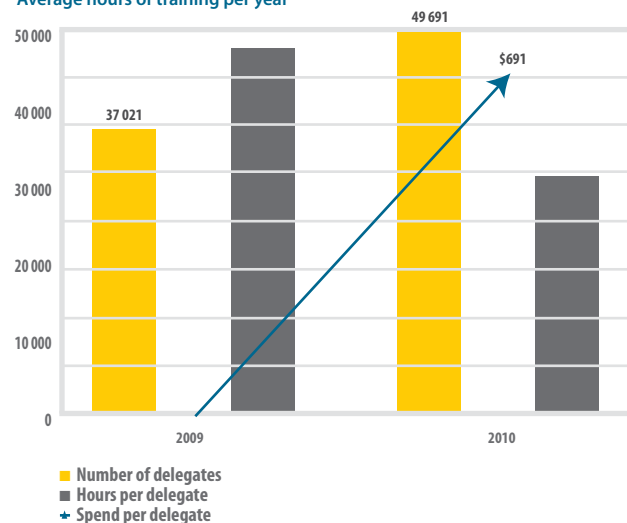
Our training programmes are also linking in our innovation drive within MTN (see Leading innovation in a changing world).

¹² These results are based on a study conducted by the Corporate Leadership Council (<https://clc.executiveboard.com/Public/Default.aspx>), 'Employment Value Proposition (EVP) Survey' published in August 2010.

MTN's internships for 2010



Average hours of training per year



We are developing programmes to enable managers to encourage and facilitate innovation. We are also focusing on empowering our decision-maker to make innovative choices for our infrastructure. We have developed a financial tool and training module that allows decision makers to assess the feasibility of alternative energy sources for specific projects.

Performance and recognition

To complement training, we also have regular performance reviews. Performance management tools, including the Leadership Talent Management and 360° feedback, are used. We use an Integrated Performance Management

Framework for managing staff performance. This involves formal measurement and monitoring of performance against agreed performance objectives. The objectives are set in accordance with individual and team contribution to strategic organisational objectives. As in 2009, 100% of our permanent employees underwent performance reviews in 2010. Performance is recognised and rewarded with financial and non-financial incentives. This emphasis on performance is carried through to our Yello Stars awards for outstanding performance in a range of areas including values, knowledge share, star performance and customer service.

Diversity

We recognise that our strength lies in the contributions of our diverse workforce. In embedding our EVP, we aim to promote initiatives that showcase our diversity. We also reinforce the need for equity in the management of all various employee groups. We do not discriminate on gender or cultural lines in our hiring practices. This is embodied in our Employment Equity and Diversity Management Policy.

Diversity

MTN's strength lies in the diverse workforce of **34 558 employees**, **21 countries**, **55 nationalities**, **5 business languages**

Labour practices

Our recruitment policy reinforces our focus on eliminating all prejudice to gender, ethnic origin, marital status, religion, age and physical handicap in filling vacant positions. In the case of operational closures and redundancies, we give preference to affected employees when recruiting for new positions.

MTN has formal disciplinary processes in place to prevent arbitrary dismissals. These processes conform to International Labour Organisation (ILO) standards. We are committed to upholding and enforcing codes of conduct that promote fundamental human rights as defined by the Universal Declaration of Human Rights.

Freedom of association and union recruitment is not prohibited at any of our operations. We manage labour-related risks related to local cultural sensitivities and indigenous rights within each of our operations.

To encourage interaction between staff and management on issues concerning staff well-being,

MTN Nigeria has established an engagement platform referred to as the Employee Council.

Health and safety

Altogether 72% of our employees are represented on formal health and safety committees, and monitor and advise on occupational health and safety at operations.

Health and safety procedures are followed in the installation, operation and maintenance of masts, base stations, and laying of cables. One specific operational health and safety risk to some of our employees is that of exposure to EMF and RF emitted by mobile phones and base stations antennae. We commit to strict compliance with current international RF exposure guidelines for our employees as well as the public at large (see Managing our environmental impacts).

Employees with the highest EMF and RF exposure include antenna workers and employees required to use their cellphones extensively. In addition to compliance training for technical staff in operations, we developed an approach to certification training for all employees and contractors working close to antennae on the network. This basic RF awareness training to certify RF workers is used to minimise occupational exposure. We hope to ensure this training is part of annual compliance training.

We operate in many countries where HIV and Aids have high prevalence rates. In recognition of this fact, we offer e-learning modules to enable access to information. We also enable access to wellness programmes for employees and their immediate families through our medical scheme service provider.

Our operational environment is also often characterised by varying levels of socio-political instability. We are improving our facilitation of medical, security and crisis risk management initiatives, especially safe travel management. Please see our Business continuity report in Governance of sustainability for more information.



Working with our suppliers

In 2010, we spent just under R19,5 billion on capital procurement (down 38% from 2009 as we continue to fulfil our business objectives in this regard).

Our performance in 2010

- ☞ *We have commenced our Procurement Transformation programme, aimed at achieving sustainable, scalable, cost-effective procurement*
- ☞ *160 procurement staff registered for external certification of the Chartered Institute of Purchasing and Supply (CIPS), of which 107 registered for exams in 2010. The programme continues in 2011*
- ☞ *A supplier segmentation framework was developed*
- ☞ *We saved R104 431 523 in operating costs through our efficiency programme*

Our capital procurement predominantly relates to network and IT equipment and services. Our largest area of operational procurement is that of consumer products such as handsets and SIM cards, and travel and insurance.

With capital procurement alone comprising 17% of our top-line revenues, our suppliers are important partners who have the ability to materially impact our economic position. However, as the largest operator in 15 of our 21 markets, MTN is similarly an important partner for suppliers wishing to grow their business. Therefore, since 2009, we have been working towards improving our procurement partnerships, with the following objectives:

- To standardise processes, equipment and systems to enjoy economies of scale.
- To comply with best procurement practices in the areas of skills, structures and functions.
- To drive down costs as part of the Group's least-cost operator objective.
- To ensure effective supplier relationship management for maximum value.

Transforming our supply chain

In 2010, we continued to focus on solutions to reducing procurement costs through the following initiatives:

- Setting up and maintaining strategic partnerships with key vendors.
- Standardisation of a consistent approach to contract management has been identified as a key enabler to protecting our business and improving efficiencies. We continued to use Group Frame Agreements, which are aimed at formalising legal terms and conditions between MTN Group and suppliers across our footprint. These are supported by individual country contracts.
- Undertaking industry benchmark assessments, including price benchmarking (a process conducted by independent agencies).
- Implementation of electronic reverse auctioning processes following a successful pilot in 2009 has been completed at a Group level.

Working with our suppliers *continued*

We also standardised product, service and process specifications and reduced the number of suppliers we engage with. Procurement toolkits to guide operations were updated, and consolidated templates are now in use.

As a result of these activities, we have saved over R104 431 523 in operating costs alone, and hope to achieve further savings in 2011.



In quarter 4 of 2010, we commenced a process aimed at transforming our procurement capabilities. This effort is aimed at achieving step changes in savings, with a target of just under R6,7 billion over a two- to three-year period.

To transform our procurement capabilities, we will be reviewing our governance and reporting approach, performance indicators, being responsive to local operating requirements, building organisational skills to maintain savings over the long term, and tracking and auditing results.

Enterprise development

Our leading position in 71% of our markets of operation provides us with the opportunity to support the growth of small enterprises to the point where they are profitable and sustainable. We aim to achieve this through the provision of mentorship, support, advice and procurement from emerging entrepreneurs.

In Nigeria, MTN's Bizlift initiative provides business ideas, access to finance and sales support material to over 53 000 retailers. Enterprise development amongst disabled and disadvantaged youth is also encouraged through a training programme. MTN Nigeria was awarded the 2010 AfricaCom Changing Lives award for the Rural Telephony Project, a universal access project leveraging micro-finance to provide access to ICTs, which has seen the empowerment of 3 000 entrepreneurs across 30 states in Nigeria.

MTN Irancell's local development and qualification programme has seen 100% of recharge vouchers and SIM cards being locally sourced. Local

enterprise development remains an important area of focus for our operations, in support of direct and indirect job creation in Iran.

In South Africa, our holistic approach to enterprise development focuses on entrepreneurship, sales and marketing, finance, project management and team leadership, ethics, presentations, human resource management, tendering and legal processes. MTN South Africa spent 6,1% of its net profit after tax (NPAT) on enterprise development initiatives (exceeding that national compliance target of 3% of NPAT), and obtained a full 15 points (the maximum under the broad-based black economic empowerment (B-BBEE)) scorecard for this effort. South Africa's B-BBEE scorecard is a measure of actions to redress the legacy of apartheid through targeted empowerment initiatives reaching previously disadvantaged communities and individuals. Our performance was verified for the period 1 January 2009 to 31 December 2009, by Empowerdex, an external verification agency. Just under 98% of enterprise development expenditure was in the form of grants and related contributions (the remaining amount was realised due to the implementation of shorter payment periods).

For the full MTN South Africa B-BBEE performance scorecard, please refer to the 2010 Performance section of this report.

Corporate Social Investment

Successfully implementing Corporate Social Responsibility (CSR) or Corporate Social Investment (CSI) is integral to our sustainability agenda, building the type of society in which we and our customers can thrive.

As a multinational telecommunications company operating in emerging markets, we have a unique opportunity to make a meaningful contribution to social development in the countries where we operate.

We invest in communities through MTN foundations located in some of our countries of operation, and through our staff volunteering programme, called 21 Days of Y'ello Care in 19 of our 21 countries of operation.

MTN Foundations

Establishment of MTN foundations in each of our operating countries was endorsed by the MTN Group board, as the best vehicle for effectively managing MTN's positive social impacts. The Group President and CEO's directive for all operations is to establish foundations that are funded by up to 1% of profit after tax (PAT).

MTN foundation projects are aimed at establishing sustainable initiatives that promote partnerships with our communities. We channel our investment toward developmental priorities in the countries in which we operate. In addition to our three areas of focus, we support areas of national priority.

154 million

☞ In 2010, we invested **R154 665 850** in communities through our foundations.

Our performance in 2010

- ☞ *We have contributed R154 665 850 to Corporate Social Investment (CSI) projects through MTN foundations*
- ☞ *We leveraged the 2010 FIFA World Cup™ which was held in Africa to create continental awareness of issues of malaria and low levels of access to education*
- ☞ *We started a process to ultimately improve the effectiveness and impact of MTN foundations' investment*



Corporate Social Investment *continued*

This excludes an additional R6,7 million in tax claims received by the MTN SA Foundation, which was also utilised for further project investment.

We commenced a process to improve the impact of our investment via MTN foundations. The process continues into 2011. We aim to standardise our investments, improving alignment between the foundations' focus areas and our business of information and telecommunications.

Ultimately we hope to focus on two areas of mutual importance to MTN and communities, thereby improving and sustaining our socio-economic impact.

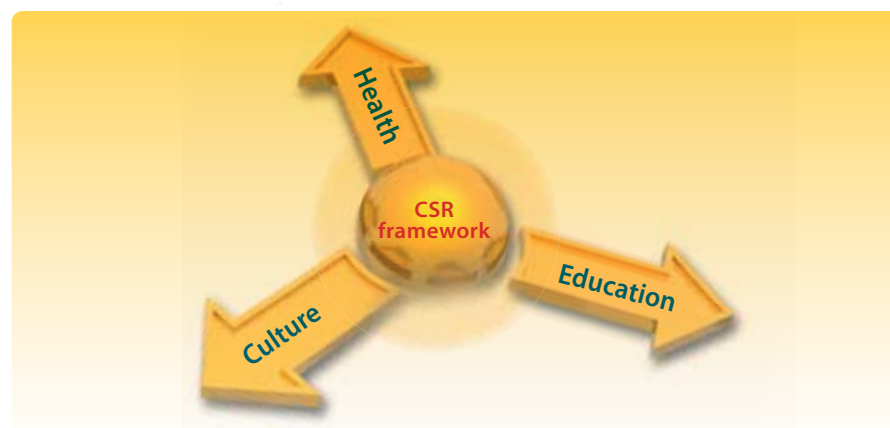
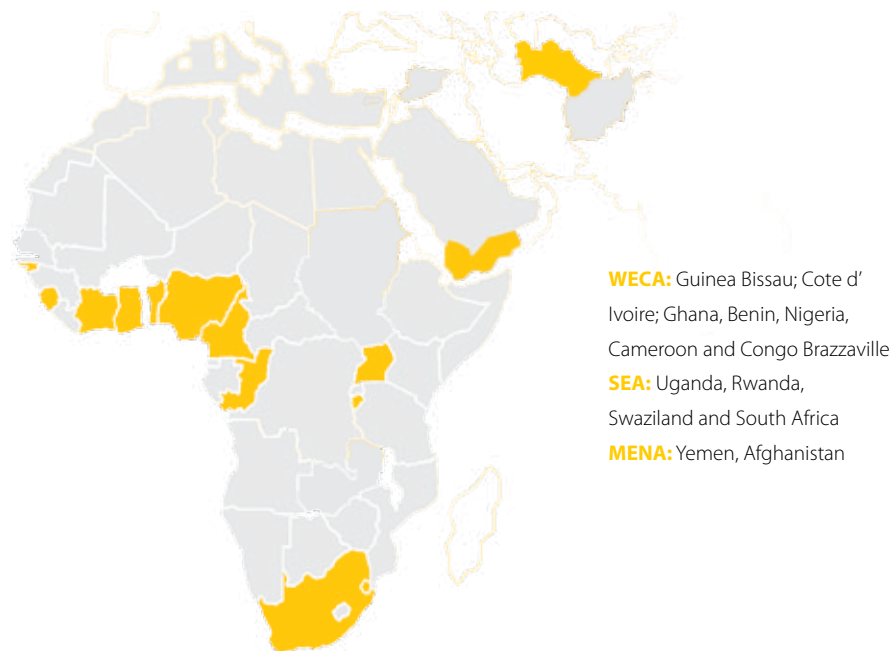
In order to be brief and present up-to-date information, we have not presented case studies of our efforts here. Our website www.mtn.com is regularly updated with case studies, examples, and results of our activities in communities, and we are proud of the efforts of our staff and leadership which work closely with communities to try and make a sustained difference.

21 Days of Y'ello Care

We encourage the inherent motivation and natural desires of our employees to give back to their communities through our 21 Days of Y'ello Care staff volunteering programme.

Even though 2010 was a busy year for MTN employees involved in 2010 FIFA World Cup™ activation programmes, our colleagues were excited at the opportunity to again roll up their sleeves, devoting their time and energy to uplifting the communities in which they

The map below indicates the 13 countries where MTN has established CSI functions.



The diagram above indicates the focus areas of the MTN foundations which seek sustained results in key areas of human development.

operate. So keen were our volunteers that some employees cancelled their leave plans or participated in projects in their personal time as well.

Each year we focus our volunteering efforts on a specific theme. In 2010, our employees volunteered their efforts in football-themed projects, malaria awareness and prevention projects, and education-themed projects. Other programmes of national priority were also considered.

To drive participation, the Group President and CEO awards the Y'ello Care trophy and a financial contribution to winning operations. A good-natured spirit of competition is clearly

evident, with operations learning from previous years' winners, and expanding their efforts and programmes to support communities.

MTN Ghana, the worthy winner in 2010, received R661 000 for its future CSI efforts. MTN Ghana successfully motivated and rallied its large employee base through a well-planned and implemented campaign. Volunteering efforts focused on five issues:

- Malaria awareness.
- Refurbishment of antenatal, diabetic and psychiatric wards of hospitals.
- 1Goal initiative with the National Health Insurance Scheme.
- Blood donation.
- Launch of the "MTN Happy Minds Reading Club".

Regional winners

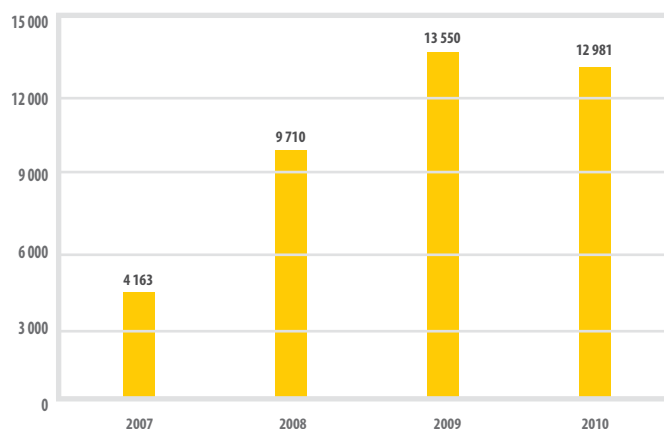
(R198 100 each, for reinvestment into CSI programme)

- 👉 *MTN Nigeria (WECA)*
- 👉 *MTN Sudan (MENA)*
- 👉 *MTN Uganda (SEA)*

Commendations

- 👉 *Can-do: MTN Yemen*
- 👉 *Leadership & Spirit: MTN Liberia*
- 👉 *Relationships: MTN Rwanda*
- 👉 *Innovation: MTN Uganda*
- 👉 *Integrity: MTN Cameroon*

Number of volunteers



Legacy CSI projects

We identified two initiatives which would leave a positive legacy in Africa long after the final whistle of the 2010 FIFA World Cup™ tournament was blown. These were to help address the debilitating impacts of malaria and illiteracy in Africa. We partnered with two organisations that have existing experience in these two crucial developmental issues.

Corporate Social Investment *continued*

With United Against Malaria (UAM) we teamed up with a group of leading malaria technical and advocacy groups to help ensure 100% coverage and usage of anti-malaria mosquito nets in malaria-affected areas by 2010. The objective of this partnership is to try and save more than four million African lives by 2015.

The malaria drive was part of MTN's broader "We can't wait, Let's go 2010" campaign. We used our sponsorship of the 2010 FIFA World Cup™ as a community outreach programme, supporting awareness, education and mosquito net distribution initiatives in countries. To educate our 28 000 at-risk employees, we committed to being malaria safe in all 16 of our African markets. We purchased and distributed UAM bracelets to raise funds for life-saving mosquito nets in Africa. We also distributed 28 000 mosquito nets to at-risk community members, including pregnant women in rural areas. We visited orphanages, hospitals and schools, distributing insecticide where necessary.

We also donated R275 000, raised from our World Cup fan parks, to UAM.

1GOAL Education for all was a 2010 FIFA World Cup™ legacy initiative in which MTN, along with world leaders, international football stars, education champions and other businesses, mobilised the public to petition governments to meet their United Nations Millennium Development Goals target of providing universal access to education to 72 million children worldwide by 2015. An SMS campaign to collect a million text messages from our subscribers across all our operations was successful. The results, compiled as a petition, were presented at the UN Millennium Development Goals' Summit in New York in September 2010, where world leaders met to discuss their ongoing commitments to education for all. We also donated R275 000 raised from our World Cup fan parks, to 1Goal.



2010 Performance

As part of our sustainability journey, we are working towards developing a consolidated list of appropriate indicators that provide a clear, comprehensive and useful measure of progress. We have commenced this process in 2010, and hope to increase the scope of indicators, allowing us to improve our internal review and plan our actions. Data presented below not subject to formal verification is indicated by*.

This information complements our financial performance reported in the 2010 MTN Integrated Report, which may be accessed on www.mtn.com.

Business performance area	Unit	Notes	2010	2009	% change
Network data					
Network capacity	R'000		19 466	31 200	-38
Base stations			36 750	32 342	+12
Broadband investment since 2008*	'000		1 340 000	Not applicable	
Ethics and governance					
Operations trained in anti-corruption practices*	%		85	85	
Customer data					
Number of subscribers	'000		141 600	116 000	
Customers surveyed for needs assessment	'000		100	Not available	
Employee data					
Total staff			34 558	34 243	+ 0,9
– MENA			6 952	6 276	+ 9,7
– SEA			11 335	11 313	+ 0,2
– WECA			15 986	16 368	2,4
– MANCO (head office including Dubai and Lebanon)			285	286	0,4
Employee turnover*	%		4,4	Not available	
Gender diversity (females % total employees)	%		34	Not available	
Nationalities represented			55	Not available	
Business languages			5	5	
Employee learning and development*	R'000		182 156	Not available	
Training hours per employee*			30,8	47,6	
Learnerships*			1 081	Not available	
Staff undertaking performance review*	%		100	Not available	
Environmental data					
CO ₂ emissions from energy use*	'000	1	1 124	565	+ 49,7
Scope 1 – direct emissions	'000		743	280	
Scope 2 – indirect emissions	'000		379	281	
Scope 3			4	4	
CO ₂ footprint representation by subscriber*	%		80	62,2	+ 17,8
MTN countries deploying alternative energy*			14	Not available	
Avoided CO ₂ tax liability from 2MW plant (illustrative, South Africa)*	R'000	2	657	Not applicable	
Cost savings from 2MW plant*	R'000		750	Not applicable	

2010 Performance *continued*

Business performance area	Unit	Notes	2010	2009	% change
E-waste pilot (South Africa)	R'000	3	9 318	Not applicable	
– MTN	R'000		7 320	Not applicable	
– Partner: GlZ	R'000		1 767	Not applicable	
– Partner: Technology Station	R'000		230	Not applicable	
Community investment data					
MTN foundations*	R'000		154 665	Not available	
Volunteer staff (21 Days of Y'ello Care)*	'000		12	13	(4)
Social inclusivity					
Black economic empowerment score (out of 100)			77,07	61,37	+ 15,7
– Ownership	20		11,64	14,67	
– Management control	10		8,39	7,65	
– Employment equity	15		11,48	11,14	
– Skills development	15		6,84	10,05	
– Preferential procurement	20		18,72	6,43	
– Enterprise development	15		15	8,10	
– Socio-economic development	5		5	3,33	
Broad-based ownership of MTN via MTN Zakhele	%		4	Not applicable	
Broad-based share ownership (individuals – Zakhele)	'000		120	Not applicable	
Broad-based share ownership (Groups – Zakhele)	'000		2	Not applicable	
Uptake of broadband connectivity (SEA)*	%		400	Not available	

Notes:

1 Increased number of operations assessed in 2010. Data scope and measurement accuracy also addressed.

2 Based on proposed National Treasury rate of R75 per ton of CO₂ in year 1 of implementation, estimated 2011/2012.

3 This is the amount allocated for a three-year period ending 2013. The allocation has not been fully incurred and spent in 2010.

2011 Commitments

The table below lists MTN's sustainable business commitments for 2011:

2011 Commitments	Objective	Target
Innovation	<ul style="list-style-type: none"> – Launch M2M solution for air-quality monitoring – In partnership with Ministry of Education, complete Amazon e-reader trail in Uganda 	Q2, 2011
Environmental	<ul style="list-style-type: none"> – Start Climate Management strategy development – Set relative baseline for GHG emissions – Continue investment in alternative and energy-efficient network sites – Commence year 1 of three-year MTN SA e-waste pilot project – Apply for LEED certification for MTN South Africa 14th Avenue premises 	Q3, 2011 Q4, 2011 Ongoing Q2, 2011
Social inclusivity	<ul style="list-style-type: none"> – Launch mi-life insurance solutions in Ghana – Launch WACS cable in South Africa and Ghana – Extend access to MTN MobileMoney and mobile remittances – Identify criteria to select downstream e-waste recyclers – MTN Nigeria partner agreement to implement solar/hybrid-powered telephony infrastructure in rural areas 	Q2, 2011 Q1 and Q2, 2011 Ongoing Q3-Q4 of 2011; represented in 2 provinces in South Africa Up to 850 rural villages by December 2011
Governance and performance management	<ul style="list-style-type: none"> – Complete training on Group Stakeholder Engagement model – Incorporate a new environmental sustainability performance indicator in executive performance scorecards – Prepare internal audit process for limited sustainability report assurance in 2012 – Conclude socio-economic impact study 	For MENA, SEA and WECA by Q3, 2011 Q2, 2011 Q3 – Q4, 2011 Q4, 2011
Community	<ul style="list-style-type: none"> – Conclude process to determine how to improve impact of MTN foundations' investment – Focus staff volunteering for 2011 on United Nations Environmental Programme theme "International Year of Forestry" 	Q4, 2011 June 2011

Note: Q refers to MTN financial quarter. Q1 is January to March 2011.

Global Reporting Initiative (GRI) report

Key for indicator type

	Telecommunications sector specific indicator
C	Core GRI indicators
A	Additional indicators – optional

Key for extent to which indicator is addressed

	Adequately addressed
	Partially addressed
	Not addressed
	Not material to MTN

(IR) indicates page reference also available in MTN 2010 Integrated Business Report, or else refer to MTN 2010 Sustainability Report.

GRI no.	GRI indicator	MTN's response (2010)	Report page
Strategy and Analysis			
1.1	Statement from the most senior MTN decision maker about the relevance of sustainability to MTN and its strategy	MTN 2010 Integrated Report and MTN 2010 Sustainability Report: Messages from our Leadership	(IR) 16 – 17, 6 – 7
1.2	Two concise narrative sections on key impacts, risks and opportunities	MTN Integrated Business Report for 2010 and MTN 2011 Sustainability Report: Material Opportunities and Risks	(IR) 11 – 13, 11
Organisational Profile			
2.1	Name of reporting organisation	MTN Group(Pty) Limited	
2.2	Nature of MTN Group's role in providing products and services, and the degree to which it utilises outsourcing	Products and services: see report page reference.	9
		Outsourcing: In some countries MTN outsources the ownership and management of infrastructure. MTN has embarked on a joint venture with American Tower Company in Ghana to optimise infrastructure efficiency through an outsourced model.	
2.3	MTN divisions, operating companies, subsidiaries and joint ventures	The MTN Group operates three business divisions: MTN-SA (South Africa), MTN International and Strategic Investments. MTN is listed on the Johannesburg Stock Exchange under the Telecommunications Service Sector (which falls under the Industrial Non-Cyclical Services).	(IR) 6 – 7
2.4	Location of MTN's Headquarters	Phase 2 Building Innovation Centre 216 14th Avenue Fairland, South Africa	5
2.5	Names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the MTN 2010 Sustainability Report	Ghana, Iran, Nigeria, South Africa and Syria – defined in terms of contribution to revenue. See MTN 2010 Sustainability Report: About MTN	5
2.6	Nature of ownership and legal form	MTN 2010 Integrated Business Report and MTN 2010 Sustainability Report	(IR) 6 – 7, 8

GRI no.	GRI indicator	MTN's response (2010)	Report page
2.7	Markets served, including geographic breakdown, sectors served, and types of customers/beneficiaries	MTN 2010 Sustainability Report: About MTN. See page reference. Also refer to www.mtn.com for more information	(IR) 106 – 108, 39
2.8	Scale: number of employees, net sales, total capitalisation broken down in terms of debt and equity, and quantity of products or services provided	See MTN 2010 Sustainability Report: Investing in our people. See MTN Integrated Business Report for 2010 for all financial data.	
2.9	Changes in the reporting period, including the location of, or changes in operations, facility openings, closings, expansions, and changes in the share capital structure and other capital formation, maintenance and alteration operations	We have moved our networks and technology team, and a procurement team to MTN Dubai. This change was implemented to better serve international operations.	
2.10	Awards received	Although we prefer not to incorporate the full list of awards to MTN in formal reports, some awards may be listed in the MTN 2010 Sustainability Report: Affirming our progress. Awards to MTN are often accompanied by MTN press releases, which may be accessed on www.mtn.com	12 – 13

REPORT PARAMETERS

Report Profile

3.1	Reporting period (e.g., fiscal/calendar year) for information provided	This report covers the financial year ending in December 2010	5
3.2	Date of most recent previous report	The last report was published in May 2010 and covered the 2009 financial year	5
3.3	Reporting cycle	Annually	
3.4	Contact point for questions regarding the report or its contents	For further information, please contact MTN Group Sustainability at sustainability@mtn.co.za or visit the web page www.mtn.com/sustainability . The MTN Group Limited Sustainability Manager can be contacted at: Private Bag X9955, Cresta, 2118 (South Africa)	5

Report Scope and Boundary

3.5	Process for defining report content, including determining materiality, prioritising topics within the report and identifying stakeholders the organisation expects to use in the report	See MTN 2010 Sustainability Report: About this report; Governance of sustainability	4 – 5, 11, 19 – 23
3.6	Boundaries of report (countries /regions, products/services, divisions /facilities/joint ventures/subsidiaries) and any specific limitations on the scope.	The scope of this report includes 20 of our 21 MTN operations. The report may provide more detailed information where appropriate on our operations in Ghana, Iran, Nigeria, South Africa and Syria, as these operations contribute the largest share of our revenues, and have the most material impact on the business' performance. This report also includes material activities undertaken through Group functions located in South Africa and Dubai.	4 – 5

Global Reporting Initiative (GRI) report *continued*

GRI no.	GRI indicator	MTN's response (2010)	Report page
3.7	State any specific limitations on the scope or boundary of the report	The scope of the MTN 2010 Sustainability Report excludes Mascom (Botswana). This scope is based on levels of ownership and control.	5
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities.	We do not include leased facilities and outsourced operations in the scope of the MTN 2010 Sustainability Report. Subsidiaries are included as per the boundary of our report.	5
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Excluding the Group's Carbon Disclosure Project methodology to determine emissions, specific techniques are not reported at this stage as MTN is in the process of finalising some key performance indicators and data collection systems.	
3.10	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	There are no restatements of information.	
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	As per last year, the scope of the MTN 2010 Sustainability Report includes 20 of our 21 MTN operations. It excludes Mascom (Botswana).	5
3.12	Locations of GRI standard disclosures.	This table covers MTN's GRI disclosures and is available on the website www.mtn.com/sustainability	
Assurance			
3.13	Policy and current practice with regard to providing independent assurance for the full Report.	MTN is working towards its first sustainability report assurance to be carried out in 2012	5
Governance			
4.1	MTN's governance structure - including major committees under the board of directors who are responsible for setting strategy and for oversight of the organisation.	See MTN Integrated Business Report for 2010. The MTN Group board is accountable for sustainable business practice and has delegated responsibility for setting strategy to the Group risk and compliance committee. The Group President and CEO also remains responsible for sustainability. Sustainability is managed by our Group sustainability manager.	(IR) 20 – 27
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	MTN Group's Chairman, Cyril Ramaphosa, is not an executive officer. See MTN Integrated Business Report for 2010	(IR) 20 – 27
4.3	MTN Board Structure, state the number of members that are independent and/or non-executive members.	MTN Integrated Business Report for 2010	(IR) 20 – 23
4.4	Mechanisms for stakeholders and employees to provide recommendations to MTN Board. For example the use of shareholder resolutions and employee communications.	There are no specific channels in place for stakeholders to engage the board directly. Our stakeholder engagement is managed within MTN Group Corporate Affairs	19 – 23

GRI no.	GRI indicator	MTN's response (2010)	Report page
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organisation's performance (including social & environmental performance).	See MTN Integrated Business Report for 2010. Social and environmental performance indicators are being introduced to executive performance measures	(IR) 92 – 94
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	See MTN Integrated Business Report for 2010	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics.	See MTN Integrated Business Report for 2010	(IR) 21 – 23, 25
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, as well as the status of their implementation.	MTN has a Group-wide code of conduct and shared values. MTN values are integrity, relationships, innovation, a can-do attitude and leadership	
4.9	Board oversight of CSR policies, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	The MTN Group board is accountable for sustainable business practice and has delegated responsibility to the Group risk and compliance committee. Our Group President and CEO remains responsible for sustainability. See MTN 2010 Sustainability Report: Governance of sustainability	14 – 17
4.10	Processes for evaluating the board's performance, particularly with respect to economic, environmental and social performance.	See MTN Integrated Business Report for 2010.	

Commitments to external initiatives

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	We take a precautionary approach regarding Electromagnetic Frequencies (EMF) and Radio Frequencies (RF). We recognise this as a valid concern and therefore invest time and effort in keeping up to date on the latest international research and scientific consensus. See MTN 2010 Sustainability Report: Managing customer needs	25 – 26
4.12	Externally developed, voluntary economic, environmental and social charters, sets of principles, or other initiatives to which MTN subscribes or endorses.	As specified by the industry body GSMA; South African Black Economic Empowerment code; King III Code of Corporate Governance; International Labour Organisation standards; AA 1000 Stakeholder Engagement standard, ISO 140001; Carbon Disclosure Project; ISO 26001 (draft)	5
4.13	Principal memberships in industry and business associations, and/or national/international advocacy organisations.	GSM Association; International Telecommunications Union (ITU); National Business Initiative (a World Business Council on Sustainability Development (WBCSD) regional network partner organisation covering the African continent)	

Global Reporting Initiative (GRI) report *continued*

GRI no.	GRI indicator	MTN's response (2010)	Report page
Stakeholder engagement			
4.14	List of Stakeholder Groups	MTN 2010 Sustainability Report: Governance of sustainability	21 – 23
4.15	Basis for identification and selection of stakeholders	MTN identifies stakeholders as any party who may have an impact on the business; or any party whom the business may impact. The company's stakeholder engagement approach is based on the AA1000 Stakeholder Engagement guideline. See MTN 2010 Sustainability Report: Stakeholder Engagement	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	We have continued responding to stakeholder concerns as they have arisen and in relation to a range of pertinent issues managed by specialist and trained managers within the corporate affairs function across operations. MTN 2010 Sustainability Report: Stakeholder Engagement	19 – 23
4.17	How MTN has responded to key topics and concerns, including through sustainability reporting	The MTN 2010 Sustainability Report has taken key stakeholder concerns into account in identifying material sustainability issues. For further detail on our responses to stakeholder concerns, see MTN 2010 Sustainability Report: Stakeholder Engagement	19 – 23
ECONOMIC			
Disclosure on Management approach			
	Concise disclosure on the Management Approach items outlined below with reference to the following the economic aspects: economic performance, market presence and indirect economic aspects	We strive to be the leading provider of telecommunications services in emerging markets. In doing so, we seek to extend broadband access through targeted investments in infrastructure. MTN Group is a responsible corporate citizen, providing tax revenue, employment and skills development to local economies. Further information on economic performance and market presence can be found in the MTN 2010 Integrated Report. Information on the local economic contribution and impact may be located in the MTN 2010 Sustainability Report: Diversity, Enterprise Development and 2010 Performance (see page references)	(IR) 4, (IR) 16 – 19, (IR) 30 – 33, (IR) 38 – 45
Economic Performance			
C	EC1 Direct economic value: revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	See MTN 2010 Integrated Report	(IR) 106 – 107

	GRI no.	GRI indicator	MTN's response (2010)	Report page
C	EC2	Financial implications and other risks and opportunities for MTN's activities due to climate change	See MTN 2010 Sustainability Report: Managing our environmental impacts and MTN 2010 Integrated Report	(IR) 12 – 13, 33 – 36, 40
C	EC3	Coverage of MTN 's defined benefit plan obligations	See MTN 2010 Sustainability Report: Investing in our people	
C	EC4	Significant financial assistance received from government	MTN does not receive any significant financial assistance from governments	
	IO1	Capital investment in telecommunication network infrastructure broken down by country/region	MTN have made substantial investments in telephony and submarine cable infrastructure to enable broadband internet access in emerging economies. See our MTN Integrated Business Report for 2010 and MTN 2010 Sustainability Report: Innovating for a changing world (see page reference)	(IR) 5, (IR) 46, (IR) 52, (IR) 58, (IR) 64, (IR) 70, 31 – 32
	IO2	Net costs for MTN under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable	The nature of the markets in which MTN operates (emerging markets with historically low access to telecommunication services on both urban and rural areas requires provision of these services by their very nature. See MTN 2010 Sustainability Report: Innovating for a changing world	28 – 29
Market Presence				
		Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	All salaries are benchmarked against other comparable compensation in local labour markets. Most of our operations offer salaries at or above the market median. See MTN 2010 Sustainability Report: Investing in our people	40
	EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	See MTN 2010 Sustainability Report: Working with our suppliers	43 – 44
A	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	We hire locally as far as possible. A significant majority of employees at each of our operations are citizens of the respective countries where we operate. This also applies to senior management.	41
C	Indirect economic impacts			
C	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	See MTN 2010 Sustainability Report: Innovating for a changing world and Corporate Social Investment	31 – 32
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	MTN hopes to conclude its socio-economic impact study by the end of 2011	

Global Reporting Initiative (GRI) report *continued*

GRI no.	GRI indicator	MTN's response (2010)	Report page
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas	MTN is focused on extending telephony services and broadband access in emerging economies including rural areas where it operates. See MTN 2010 Sustainability Report: Innovating for a changing world	25
PA2	Policies and practices (and business model applied) to overcome barriers for access and use of telecommunication products and services, including: language, culture, illiteracy and lack of education, low income, disabilities and age	MTN is committed to addressing various factors that create a digital divide in society. Our innovation takes into account the fact that to stay relevant and competitive MTN has to innovate in the data and service domains especially in Africa where the mobile phone is often the first and only means of access to telecommunications	
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time	We have made significant investments to ensure a consistent quality of telecommunications services that serve our customers. See MTN 2010 Sustainability Report: Managing customer needs	
PA4	The level of availability of telecommunications products and services in areas where MTN operates.	See MTN 2010 Sustainability Report: About MTN	(IR) 4
PA5	Number and types of telecommunication products and services provided to and used by low and no-income sectors of the population, with definitions of these designated groups	Because of the diversity of our operations, we work with definitions of low-income that are specific to particular markets where we operate. Many of our products do target lower income customers. See MTN 2010 Sustainability Report: Innovating for a changing world	28 – 29
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief	See MTN 2010 Sustainability Report: MTN's operating environment and sustainability	

ENVIRONMENTAL

C	Disclosure on Management approach		
A	Concise disclosure on the management approach items outlined below with reference to the following environmental aspects: materials, energy, water, biodiversity, emissions, effluents, and waste	Our environmental policies focus on managing the impacts of our network infrastructure responsibly, ensuring energy efficiency and exploring alternative energy solutions for our base stations, and exploring solutions to e-waste management. We conduct externally vetted environmental impact assessments where appropriate. See MTN 2010 Sustainability Report: Managing our environmental impacts	33 – 38
	Materials		
EN1	Materials used by weight or volume	MTN Group does not manufacture products. As such, we focus on reporting the impacts of our infrastructure in terms of fuel consumption and terrestrial impacts. We do not report on materials used by weight or volume.	

	GRI no.	GRI indicator	MTN's response (2010)	Report page
	EN2	Percentage of materials used that are recycled input materials	Even though we do not manufacture handsets, we are exploring ways of recycling e-waste generated by our customers. We will report on the success of our pilot upon completion. See MTN 2010 Sustainability Report: Managing our environmental impacts	36 – 38
C	Energy			
C	EN3	Direct energy use segmented by primary source	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
	EN4	Indirect energy consumption by primary source	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
C	EN5	Energy saved due to conservation and efficiency improvement	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	49
C	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result.	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
A	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35
A	Water			
A	EN8	Total water withdrawal by source	MTN does not consume a significant amount of water at operations and therefore does not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification. Responsible water management, including re-use, is underway.	
	EN9	Water sources significantly affected by withdrawal of water	MTN does not consume a significant amount of water at operations and therefore does not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification. Responsible water management, including re-use, is underway.	

Global Reporting Initiative (GRI) report *continued*

	GRI no.	GRI indicator	MTN's response (2010)	Report page
C	EN10	Percentage and total water volume of water recycled and reused	MTN does not consume a significant amount of water at operations and therefore does not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification. Responsible water management, including re-use, is underway.	
A	Biodiversity			
A	EN11	Location and size of land owned, leased or managed in biodiversity-rich habitats.	MTN's environmental policies focus on managing the impacts of network infrastructure responsibly, ensuring energy efficiency and exploring alternative energy solutions, and exploring solutions to e-waste management. Externally-vetted environmental impact assessments are undertaken particularly for cabling and network site installation. See MTN 2010 Sustainability Report: Managing our environmental impacts	37 – 38
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	The Group's Environmental Management Policy is supported by our Environmental Management System (EMS), which extends to waste minimisation, prevention of pollution and management of land, unique flora, forests, water and wildlife. See MTN 2010 Sustainability Report: Managing our environmental impacts	37 – 38
C	EN13	Habitats protected or restored	The Group's Environmental Management Policy is supported by our Environmental Management System (EMS), which extends to waste minimisation, prevention of pollution and management of land, unique flora, forests, water and wildlife. See MTN 2010 Sustainability Report: Managing our environmental impacts	
C	EN14	Strategies, current actions and future plans for managing impacts on biodiversity	The Group's Environmental Management Policy is supported by our Environmental Management System (EMS), which extends to waste minimisation, prevention of pollution, and management of land, unique flora, forests, water and wildlife. See MTN 2010 Sustainability Report: Managing our environmental impacts	
A	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	MTN does not monitor IUCN Red List species as this is not material in terms of the nature of the business. However, externally-vetted environmental impact assessments are undertaken particularly for cabling and network site installation. See MTN 2010 Sustainability Report: Managing our environmental impacts	

	GRI no.	GRI indicator	MTN's response (2010)	Report page
A		<i>Emissions, effluent and waste</i>		
A	EN16	Total direct and indirect greenhouse gas emissions by weight.	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
	EN17	Other relevant indirect greenhouse emissions by weight	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
C	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	MTN makes its Carbon Disclosure Project publicly available on www.cdproject.net . Also see MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35, 49
C	EN19	Emissions of ozone-depleting substances by weight.	Due to the nature of operations, MTN does not deem ozone-depleting emissions to be material.	
A	EN20	NOx, SOx and other significant air emissions by weight and type.	Due to the nature of operations, MTN does not deem NOx and SOx emissions to be material.	
C	EN21	Total water discharge by quality and destination	MTN does not consume a significant amount of water at operations and therefore do not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification, and responsible water management including re-use is underway.	
C	EN22	Total amount of waste by type and disposal method	MTN does not consume a significant amount of water at operations and therefore does not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification. Responsible water management, including re-use, is underway.	
C	EN23	Total number and volume of significant spills	No significant spills have been reported in terms of the Group's monitoring process for 2010	
C	EN24	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	None	
C	EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	MTN does not consume a significant amount of water at operations and therefore does not deem impacts on water sources to be material. Nevertheless MTN operations are judicious in water consumption. MTN South Africa's head office is pursuing LEED certification. Responsible water management, including re-use, is underway.	

Global Reporting Initiative (GRI) report *continued*

	GRI no.	GRI indicator	MTN's response (2010)	Report page
A		Products and services		
A	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	MTN does not manufacture handsets. The only MTN operations that distribute handsets at scale are in Nigeria and South Africa. However, as a telecommunications provider, services depend on customers using handsets. MTN has therefore initiated an e-waste management pilot. This open-source pilot project will be available to the general public, whether MTN customers or not. See MTN 2010 Sustainability Report: Managing our environmental impacts	
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	MTN only distributes handsets at scale in South Africa and Nigeria. MTN does not therefore monitor this indicator	
C		Compliance		
C	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	MTN has not received any significant fines for non-compliance with environmental laws or regulations	
		Transport		
C	EN29	Significant environmental impacts of transporting products and other goods and materials used for MTN's operations, and transporting members of the workforce	Transportation is not a source of significant environmental impacts and is therefore not deemed material. However, the Group measures vehicle emissions in terms of the Carbon Disclosure Project. See MTN 2010 Sustainability Report: Managing our environmental impacts	34, 49
C		Overall		
A	EN30	Total environmental protection expenditures and investments by type	Not available	
	IO7	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts.	See MTN 2010 Sustainability Report: Managing our environmental impacts	37 – 38
	IO8	Number and percentage of stand-alone sites, shared sites and sites on existing structures.	36 750 (total sites)	
		Resource efficiency		
	TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	See MTN 2010 Sustainability Report: Managing our environmental impacts	34 – 35
	TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects.	See MTN 2010 Sustainability Report: Innovating for a changing world. (Also see Carbon Disclosure Project Report (www.cdproject.net) for detailed descriptions.)	36

GRI no. GRI indicator		MTN's response (2010)	Report page
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size or potential savings.	We have not presently measured the extent of the impacts of our products and services on our customers' resource efficiency.	
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	MTN hopes to conclude its socio-economic impact study by the end of 2011	
LABOUR PRACTICES AND DECENT WORK			
A	Disclosure on management approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following labour aspects: employment, labour / management relations, occupational health and safety, training and education and diversity and equal opportunity	See MTN 2010 Sustainability Report: Investing in our people	39 – 42
	Employment		
LA1	Breakdown of workforce, by region/country, status (employee/non-employee), employment type (full-time/ part-time) and by employment contract (indefinite or permanent/ fixed term or temporary)	See MTN 2010 Sustainability Report: Investing in our people and 2010 Performance	39
LA2	Total number and rate of employee turnover by age group, gender and region.	Only total Group turnover available	49
C	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operation	See MTN 2010 Sustainability Report: Investing in our people
C	Labour/Management relations		
A	LA4	Percentage of employees covered by collective bargaining arrangements	Not available
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	MTN has minimum notice periods for significant operational changes
A	Occupational health and safety		
A	LA6	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	72% of our employees are represented on formal health and safety committee. See MTN 2010 Sustainability Report: Investing in our people

Global Reporting Initiative (GRI) report *continued*

	GRI no.	GRI indicator	MTN's response (2010)	Report page
	LA7	Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region	Not available	
C	LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	MTN offers HIV/Aids related e-learning modules to enable access to information. MTN also enables access to wellness programmes for employees and their immediate families through its medical scheme service provider.	42
A	LA9	Health and safety topics covered in formal agreements with trade unions	Not available	
	IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other activities	See MTN 2010 Sustainability Report: Investing in our people	42
C	Training and education			
A	LA10	Average hours of training per year per employee by category	MTN does not report on training hours by employee category. Average hours of training per employee for 2010 is 47.6. See MTN 2010 Sustainability Report: Investing in our people	41, 49
	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers	See MTN 2010 Sustainability Report: Investing in our people	40
C	LA12	Percentage of employees receiving regular performance and career development reviews	100% of our permanent employees receive regular performance appraisals.	41, 49
A	Diversity and equal opportunity			
A	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Not available	
	LA14	Ratio of basic salary of men to women by employee category	Across all major operations, there is no salary differentiation based on employee demographics such as gender. See MTN 2010 Sustainability Report: Investing in our people	40
C	HUMAN RIGHTS			
C	Disclosure on management approach			
		Concise disclosure on the management approach items outlined below with reference to the following human rights aspects listed below: investment and procurement practices, non-discrimination, freedom of association and collective bargaining, abolition of child labour, prevention of forced and compulsory labour, complaints and grievance practices, security practices, and indigenous rights	MTN supports the principles of equality, freedom of association, the eradication of child labour, access to fair grievance resolution recourse, upholding the rights of indigenous peoples, and upholding human rights in core business, security measures and in investments and procurement procedures. The implementation of the code of conduct and Group-wide policies is delegated to individual operations. See MTN 2010 Sustainability Report: Investing in our people	42

GRI no. GRI indicator		MTN's response (2010)	Report page
Investment and procurement activities			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Not available	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Not available	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, and percentage of employees that are trained	Not available	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken	Not available	
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights	MTN's 21 operations are in diverse countries, which may have differing legal protection of rights with respect to collective bargaining. However, it is the Group-wide policy to uphold this right. Freedom of association and union recruitment is not prohibited in any of our operations	
Child Labour			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	MTN's 21 operations are in diverse countries, which may have differing legal protection of rights with respect to child labour. However, it is the Group-wide policy to uphold this right	
Forced and compulsory labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	MTN's 21 operations are in diverse countries, which may have differing legal protection of rights with respect to forced or compulsory labour. However, it is the Group-wide policy to uphold this right	
Security practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Not available	
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No incidents of human rights violations involving indigenous people have occurred	

Global Reporting Initiative (GRI) report *continued*

GRI no. GRI indicator		MTN's response (2010)	Report page
Access to content			
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services	MTN has Group-wide policies in place to manage human rights issues relating to access to and use of telecommunications products and services. However, these policies are applied with sensitivity to the diversity of the regulatory and cultural environments of the 21 countries of operations.	
SOCIETY			
A	Disclosure on management approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: community, corruption, public policy, anti-competitive behaviour and compliance	MTN has Group-wide policies in place to address regulatory issues, fraud and corruption as well competition issues. See MTN 2010 Sustainability Report: Governance of sustainability	19
Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	We conduct socio-economic impact assessments with all our major infrastructure investments. MTN also aims to complete a socio-economic impact study by the end of 2011	
Corruption			
C	SO2	Percentage and total number of business units analysed for risks related to corruption	Not available for public disclosure
	SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	The majority of our employees have been exposed to fraud awareness materials. See MTN 2010 Sustainability Report: Governance of sustainability
C	SO4	Actions taken in response to incidents of corruption	We have formal procedures in place to manage incidents of corruption
Public policy			
C	SO5	Public policy positions and participation in public policy development and lobbying	MTN remains politically neutral in all countries of operation. However, where public comment on national policies is invited, as in the case of potential carbon taxes in South Africa, MTN will offer comment
	SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	MTN remains politically neutral in all countries of operation
Anti-competitive behaviour			
A	SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No legal actions for anti-competitive behaviour have been brought against MTN Group in 2010

GRI no. GRI indicator		MTN's response (2010)	Report page
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	MTN Group received no significant fines for non-compliance with laws and regulations	
TA5	Description of practices relating to intellectual property rights and open-source technologies	MTN upholds intellectual property rights in its business	
PRODUCT RESPONSIBILITY			
Disclosure on management approach			
	Provide a concise disclosure on the management approach items outlined below with reference to the following product responsibility aspects: customer health and safety, product and service labelling, marketing communications, customer privacy, and compliance.	MTN has a Group-wide approach in place to manage customer health and safety. This approach is implemented at a Group level and at individual operations as appropriate. See MTN 2010 Sustainability Report: Managing customer needs	25 – 26
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	The most significant health and safety impact related to product and service offering is EMF and RF. For information on management of these impacts, see MTN 2010 Sustainability Report: Managing customer needs	25 – 26
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and service during their life cycle, by type of outcomes	We have had no reported incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and service during their life cycle	
PA8	Policies and practices to publicly communicate on EMF related issues	Communication on EMF related issues is integrated into stakeholder engagement where appropriate. See MTN 2010 Sustainability Report: Governance of sustainability	25 – 26
PA9	Total amount invested in programmes and activities in electromagnetic field research	Not available	
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and service subject to such information requirements	None	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	MTN uses surveys in all operations to gauge customer satisfaction and perceptions. See MTN 2010 Sustainability Report: Managing customer needs	25

Global Reporting Initiative (GRI) report *continued*

	GRI no.	GRI indicator	MTN's response (2010)	Report page
A		Marketing communications		
A	PR6	Programmes for adherence to laws, standards and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship	MTN's marketing communications, including advertising, promotion and sponsorship, comply with local laws, standards and codes.	
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes of concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	No incidents of non-compliance with regulations and voluntary codes of concerning marketing communications were reported in 2010	
	PA10	Initiatives to ensure clarity of charges and tariffs	Not available	
	PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective and environmentally preferable use	Not available	
C		Customer privacy		
A	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not available	
		Compliance		
A	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	MTN Group has received no significant fines for non-compliance with laws or regulations concerning the provision and use of products and services	
	IO4	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to RF emissions from handsets	MTN complies with the international standard for safety endorsed by ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to RF emissions from handsets, and the World Health Organisation. See MTN 2010 Sustainability Report: Managing customer needs	25 – 26
	IO5	Compliance with ICNIRP guidelines on exposure to RF emissions from base stations	MTN complies with the international standard for safety endorsed by ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to RF emissions from handsets, and the World Health Organisation. See MTN 2010 Sustainability Report: Managing customer needs	25 – 26
	IO6	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets	MTN complies with the international standard for safety endorsed by ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to RF emissions from handsets, and the World Health Organisation. See MTN 2010 Sustainability Report: Managing customer needs	25 – 26

Glossary

The table below describes some of the terms used in this report. For a detailed glossary of terms associated with MTN's business and industry sector, please refer to www.mtn.com.

Term	Explanation
3G	Third-generation internet connection that allows mobile phones to send and receive larger volumes of data, such as live broadcasts, video clips and emails
B-BBEE	Broad-Based Black Economic Empowerment, a South African national initiative to enable economic participation for black South Africans
BTS	Base transceiver station
CDM	The United Nations Clean Development Mechanism allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalent (See GHG below)
EASSy	Eastern Africa Submarine Cable System
EDGE	Enhanced Data for GSM Evolution (EDGE) delivers 2G technology that delivers advanced mobile services such as downloading video and music clips, full multimedia messaging, high-speed colour internet access and email on the move. It is five times faster than conventional GPRS
EIG	Europe India Gateway (EIG) submarine cable
EMF	Electromagnetic frequency or radio signals or waves, or energy that travels through space
GB	Gigabyte
GDP	Gross domestic product
GHG	Greenhouse gas; unless indicated otherwise, GHG emissions are made up of CO ₂ , methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF ₆). The United Nations has identified these six gases as the greatest contributors to global warming
GPRS	General Packet Radio Service (GPRS) is a connectivity solution based on internet protocols that support a wide range of enterprise and consumer applications

Glossary *continued*

Term	Explanation
HSDPA	High Speed Downlink Packet Access (HSDPA) is a technology for improving performance of the MTN 3G network. It is part of the evolutionary path of 3G
ICASA	Independent Communications Authority of South Africa
ICNIRP	International Commission on Non-Ionising Radiation Protection: www.icnirp.de
ICT	Information and Communication Technology
IFC	International Finance Corporation
ITU	International Telecommunications Union
King III	King III Code of Corporate Governance for companies operating in South Africa
MTR	Mobile termination rates
MW	Megawatt
OPCO	Abbreviation for MTN operation
Our major operations	Our major operations are defined as those operations that contribute a significant proportion of our annual revenue. These include Ghana, Iran, Nigeria, South Africa and Syria (in alphabetical order).
RF	Radio frequencies
SEA, WECA, MENA	South and East Africa, West and Central Africa, Middle East and North Africa. This categorisation is used to group and classify MTN operations geographically
SEACOM	Submarine cable linking South and East Africa
TEAMS	The East African Marine System submarine cable system
UNEP	United Nations Environmental Programme
WACS	West Africa Cable System
WHO	World Health Organisation

