MTN Group Limited

Annual sustainability report for the year ended 31 December 2015

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

OUR MISSION
To make our customers' lives a whole lot **brighter**.

About the MTN Group

MTN is a leading emerging markets mobile operator at the forefront of global technological changes. Guided by our values, we are delivering a bold, new Digital World to our 232 million customers across Africa and the Middle East from our headquarters in Johannesburg.

In just over two decades, through our extensive investment in advanced communication infrastructure and by harnessing the talent of our people, we have grown rapidly to offer voice, data and digital services to retail customers in 22 countries where we have telecoms licences as well as enterprise solutions to corporate, SME and public sector customers in 25 countries. MTN is the most admired brand in Africa and the most valuable African brand[#]. With a market capitalisation of R233 billion, at end-December 2015 our Company was the sixth largest on the Johannesburg Stock Exchange.

 # Brand Africa 2015.

OUR VISION
To lead the delivery of a **bold, new Digital World** to our customers.

THE GLOBAL MOBILE ECONOMY IN 2015

90% global population
covered by broadband networks by 2021

10 gigatonnes
of greenhouse gas reductions using ICT solutions by 2030

One in five
Africans use internet in 2015 (compared to two in five in Asia-Pacific)

2,1 billion
growth of M2M connections by 2021

200% increase in smartphone
subscriptions in Middle East and Africa by 2021

Four times
increase in cloud traffic in Middle East and Africa by 2019

Sources: GSMA – The Mobile Economy; Cisco Visual Networking Index; Machine Research.

GROUP EXECUTIVE CHAIRMAN'S MESSAGE

Overview

- Global events, regulatory, security and other pressures resulted in challenging operating conditions for MTN.

- ICT creates positive benefits for society, but innovation creates uncertainty and questions about social development, values, etc.

- We continue to strive towards good governance in order to meet stakeholder commitments.

- We leverage our resources to offer pragmatic solutions to daily challenges faced by our customers and communities.

- By supporting emerging enterprises and investing in collaborative partnerships, we contribute towards impactful developmental outcomes.

> In 2016, we hope to continue to enabling digital dividends for our stakeholders by harnessing the spirit of innovation and collaboratively developing solutions to opportunities and real-life challenges in our markets.
>
> **Phuthuma Nhleko,** *Group executive chairman*

A globally tumultuous operating landscape for businesses, governments and civil society characterised 2015. Economic uncertainty, geo-political events in the Middle East and elsewhere, and the impact of drought in Africa are some of the key events significantly impacting strategic planning, resource allocation and public sentiment.

Information and communication technology (ICT) organisations continue to face questions about our contribution to the social, economic, ethical and environmental aspects of how the world operates. We are also witnessing a rapid and concerning trend towards politicising ICT services, due to some of these global developments. The World Economic Forum (WEF) dedicated its 2016 agenda to determining how society is evolving as a result of the increasing convergence between digital devices and the physical world. The Internet of Things undoubtedly creates transformative and positive benefits for society. However, it also generates difficult questions about "dividends versus divides" in society, the future of employment, human rights, and social values and ethics, amongst others.

2015 was also a challenging year for MTN. Along with weak macro-economic conditions, we faced increased competition and operational challenges in some of our markets. Protest action by some employees in our South African operation and the imposition of a regulatory fine on our operation in Nigeria required a dedicated focus. This was particularly critical in order for us to keep our operations on track and to meet our commitments to our customers. (Our detailed response to this matter is available in the Group's integrated report for 2015). These challenging macro and internal situations reinforced the imperative for MTN to review how we are organised and govern ourselves.

To this end, I wish to take this opportunity to re-affirm the value we attach to good governance within MTN. Our commitment to implement sustainable business protocols including the King Code of Corporate Governance, the United Nations Global Reporting Initiative (GRI 4) and Global Compact, carbon and climate impact reporting and the principles set out in the United Nations Protect, Respect and Remedy framework is included in the terms of reference of the Group's social and ethics committee.

Despite our use of these guidelines, like all businesses, we face challenges from time to time. However, we are not deterred in our sustainability journey. As a major ICT role-player in emerging markets, we are acutely aware that our resources can make a meaningful difference to the lives of our customers and communities.

Our goal to enhance developmental outcomes using ICT as an enabler is facilitated through offering solutions that can reduce systemic weaknesses across a number of areas such as access to financial, public health and education and commercial services. We are excited by opportunities presented by the sharing economy. Innovation now takes place at all levels of society, and by anyone with access to a mobile handset. We actively pursue collaborative cross-sectoral partnerships to bring sustainable products to our markets. These include solutions for fuel management, travel planning using, commercial solar power provision by small enterprises, weather information for improved safety of fishermen, and more. Over 34 million MTN Mobile Money registered users now participate in economic activity more easily and affordably, accessing social grants, paying taxes, school fees and salaries, and expanding small businesses. By entering into additional cross-border remittance agreements with our competitors and increasing access to affordable smartphones, we also improve access to a range of services, increase connections and help close the digital divide.

In emerging markets, entrepreneurship is a fundamental contributor to the improvement of livelihoods and overall development. By sponsoring innovation challenges, we encourage creativity and assist entrepreneurs to bring their ideas to fruition. We are catalysing the design of pragmatic digital solutions that directly address some of the environmental and socio-economic needs most prevalent in our markets. Some of these solutions include water and electricity conservation, access to health information and services, educational content and real-time intelligence for security and asset management. In 2016, we hope to continue enabling digital dividends for our stakeholders through innovation and collaborative partnerships for solutions to real-life challenges in our markets.

1

SUSTAINABLE ECONOMIC VALUE

Overview

- We help to close the digital divide in our markets.

- MTN's digital inclusion investments broadly span across the financial, health, education, and enterprise and public sector categories.

- Collaborative, cross-sectoral partnerships and our support for public innovation is ensuring MTN catalyses availability of solutions relevant to societal, economic and environmental needs in our markets.

SUSTAINABLE ECONOMIC VALUE

Our digital inclusion investments span across the financial health, education, enterprise and public sector categories, among others.

The digital revolution has radically altered the way in which we work, live, learn, interact, and advance within our respective societies. The GSMA expects that the mobile technology industry may contribute about 8% to sub-Saharan Africa's GDP, and close to 4,5% in Arab states, by 2020. The Internet of Things (IoT) is fundamentally changing how we use resources. Up to 30 billion connected devices may be operational by 2020.

The impact of digital technology remains unevenly distributed across the world. The World Bank's Digital Dividends Report for 2016 indicates that more than four billion people across the globe, mostly located in developing regions, still lack internet access. This impacts their ability to access basic and vital services, and in-turn hinders the objectives of social equality and development, as well as the ability to participate in local and global economies. With more than 232 million subscribers across Africa and the Middle East, bridging the digital divide and enabling environmental and economic benefits through the connectivity and IoT ranks as a strategic priority on our agenda. The growth of our solutions attests to the demand

and potential for affordable, digital connected solutions in our markets. Our investment in digital inclusion projects, products and services helps us meet the demand for affordable, digital connected solutions in our markets.

Our digital inclusion investments broadly span across the financial, health, education, and enterprise and public sector categories, among others. As a company operating in the ICT sector, we are aware of the need for constant innovation to remain relevant and sustainable. We host innovation challenges, inviting the public and other organisations to develop mobile applications for use in a number of sectors including education, healthcare and business. In many cases, winning applications are placed in an incubation programme or receive support to ensure ideas can be transformed into real-life solutions to some of the challenges in the countries where we operate. By delivering affordable and accessible products, services and applications, either directly or in partnership with individual innovators, enterprises, public sector role-players, civil society organisations, and even with our traditional competitors, we can provide a social dividend while also sustainably building our business.

Objectives		Results
■ Conclude Mobile Money agreements with Vodafone and Safaricom to improve access to convenient, cost-effective money transfers by customers across different networks, and in different countries	👍	This service is now available to MTN and Vodafone customers in seven countries, and between MTN and Safaricom customers in Rwanda and Kenya
■ Launch MTN Mobile Money in South Sudan	👍	The service is now available to both registered and unregistered users. Registered users incur lower deposit and withdrawal charges
■ Launch cashless payment solution to bridge divide between large enterprises and the cash-based informal merchants	🔍	This service was launched in Uganda in 2015. We aim to roll this out to other countries in 2016
■ Launch partnership with Uber in Nigeria in early 2016	👍	MTN subscribers receive discounts on their first two rides in Lagos
■ Launch pan-African IoT platform in six markets	🔍	Launched in four of our markets
■ Launch three-year partnership with South Africa ICT mentorship, training and skills development service provider	👍	Programme has commenced, targeting up to 60 new generation SMME enterprises from start-up to self-sufficiency
■ Launch MTN Mind2Machine IoT Developer Challenge	👍	49 entrants participated, and a winner was selected

👍 Achieved   🔍 Needs more work

SUSTAINABLE ECONOMIC VALUE *continued*

Digital inclusion

MTN Mobile Money

Without access to cash or credit equivalents, people are effectively excluded from daily society in ways that cannot be truly quantified. MTN operates in one of the largest areas of unbanked and under-banked people in the world. MTN Mobile Money is therefore helping transform lives by offering simple access to financial services for people that are largely excluded from traditional financial services due to high costs of banking and convenience factors such as accessibility and distance. MTN Mobile Money enables users to perform local and international money transfers, make utility payments, pay for bus and public transport services, settle taxes due to revenue collection authorities, save money in their interest-bearing mobile wallets, purchase airtime, buy micro-insurance, pay school fees and television service subscriptions, purchase solar-powered energy, make bank deposits, pay for fuel, donate meals to feed children and more. This service is independent of the type of mobile device, and does not require access to ATM cards for withdrawals or payments. Users do not need to invest in smartphones, also fulfilling another aspect of affordability for consumers. MTN Mobile Money also creates direct income and employment opportunities for small entrepreneurs (dealers and resellers), who register customers, create awareness, and earn commissions. MTN Mobile Money is available in 16 countries across Africa.

In Uganda MTN Mobile Money is used for disbursing the Senior Citizen Grant (SCG), aimed at reducing poverty among people above the age of 64, by providing a minimum level of income security through monthly payments. In Cameroon more than 1,4 million MTN Mobile Money subscribers purchase train tickets, buy goods at supermarkets and pay insurance premiums for funerals. Ghanaian beneficiaries of the country's national social intervention programme, the Livelihood Empowerment Against Poverty (LEAP), receive their disbursements through MTN Mobile Money. Our customers are also able to receive loan disbursements into their MTN Mobile Money wallets and make loan repayments without visiting Bank of Ghana branches. MFS Africa research shows that the majority of the people in lower to middle-income brackets are unable to borrow money from the bank, irrespective of the size of the loan. Mjara Loans, available via our mobile money platform, meets a variety of daily needs including an emergency medical situations requiring hospitalisation, payment of school fees and small business expansions. Over 19 500 agents also earn an income from MTN Mobile Money commissions.

Over **34 million**
MTN Mobile Money registered users
(9,79 million active users) can financially transact more easily, affordably and conveniently, accessing social grants, paying taxes, utility costs and salaries, and expanding small businesses.

Public-private collaboration between three mobile network operators including MTN, and the Ministry of National and Technical Education in Ivory Coast ensures more transparent, universal, accessible payment solutions for settling school fees and updating student records digitally, which benefits students and parents, school administrators and MTN by enhancing the value we offers our customers, and creating additional revenue streams for ourselves and for mobile money vendors. This also supports the government's digital drive, part of a number of initiatives to support the improvement of the Ivorian education system. In Benin MTN Mobile Money is used to pay salaries for doctors, nurses, educators and community aid workers.

In Uganda, MTN Mobile Money is used to settle water and electricity bills. MTN Mobile Money facilitated the collection of close to R118 million in payments for water fees in 2015. Customers can also pay for fuel at service stations, and for salaries for their employees. The Kampala Capital City Authority allows taxpayers to pay their taxes and levies using MTN Mobile Money. Some community and boarding schools in Uganda have now adopted MTN Mobile Money as an acceptable means of payment. In Rwanda approximately 85% of our 3,8 million MTN subscribers are registered to use the MTN Mobile Money, and can use Bank of Kigali services for domestic money transfers and utility payments. In Ivory Coast, MTN Mobile Money is used to settle taxi fares following an agreement between MTN and the association of meter taxi owners.

SUSTAINABLE ECONOMIC VALUE *continued*

Digital inclusion *continued*

Cross-border remittances also constitute an ever-increasing proportion of the transactions undertaken by our customers, and is part of our strategy to support the growth of financial inclusion and cashless societies. Africa has the one of the highest costs for international remittances globally. This is especially difficult for a continent whose communities often rely on income sourced from family members located in other countries. The use of MTN Mobile Money eliminates rural-urban and cross-border barriers in fund remittance, increasing access to financial services and improving cashless economic participation by communities. To reduce the cost of currency conversions, our customers in Rwanda can send money in francs to recipients in Uganda, who will receive it in Ugandan shillings. Cross-border remittance services are also available between Benin and Ivory Coast, and between Ivory Coast and Burkina Faso, to enable easier movement of money in the West African region. MTN co-operates with Vodafone to ensure that Vodafone's M-Pesa customers in Kenya, Tanzania, Democratic Republic Congo and Mozambique and MTN's Mobile Money customers in Uganda, Rwanda and Zambia can transfer funds at faster and more affordable rates between themselves.

Please refer to the Group's historical sustainability reports available on our website, for additional examples of how MTN Mobile Money facilitates financial inclusion increases economic development and growth of enterprises, creates wealth, improves the standards of living and supports the growth of the cashless, digital society.

🌐 *www.mtn.com/sustainability*

mHealth
We developed mHealth services in response to the various constraints in the public healthcare sector in our markets, including the impact of increasing populations on limited public healthcare services and the lack of easily available and reliable information. Mobile handsets are the first choice of users for web-based information access in developing regions. This enables us to provide information and services at lower transactional costs to our customers, and can help reduce the burden on limited healthcare facilities. MTN's mHealth services are available in Afghanistan, Cameroon, Ghana, Rwanda, Uganda, South Africa, Yemen and Zambia. We work with partners at global, regional and country levels to promote and strengthen the use of information and communication technologies in health development, from field applications to global governance.

In Cameroon we provide health advice relating to infant mortality rates and diseases most prevalent in the region. A similar partnership in Ghana ensures access to

information on maternal health, reproductive and family planning advice, nutrition health tips and interaction with health professionals in one of six major languages spoken regionally. In South Africa, customers can access MTN Care Connect, a 24-hour nurse advisory helpline service that facilitate access to healthcare information and medical education on the mobile device. MTN's Hello Doctor App, which provides free daily content, includes participation in a live group chat forum, confidential interactions with a doctor, healthcare advice and the option to receive a call back from a doctor within an hour, is now available in South Africa, Swaziland, Zambia, Ghana, Uganda, Cameroon and Rwanda. In Yemen, MTN offers medical information accessible through text services. In Afghanistan the MTN Tele-Doctor service allows people to access and consult medical doctors and specialists. Women have an option to consult with a female gynaecologists through the same service.

Over **220 000**
people used **Hello Doctor** in 2015.

In Uganda we partnered with Google and Technology Centre to provide a free interactive text-messaging platform, allowing mobile users to text questions on reproductive health, and to receive answers from a database prepared by reputable healthcare professionals. In Nigeria, our partnership with Salt and Einstein MTS and the National Health Insurance Scheme provides a mobile-based universal micro-health insurance service suitable for mobile users at an affordable rate on a prepaid basis. Also in Nigeria, the MTN Business Home Healthcare application enables healthcare professionals to receive a continuous stream of data on their mobile phones, allowing them to observe patient health issues such as blood pressure, weight, etc. while they are at home. With the heavy demands on the African healthcare system, and on the systems of some of the markets in which we operate in the Middle East, we hope to continue exploring digital options to alleviate the impact of lack of reliable, affordable and timely access to medical services.

In our markets, one of the main challenges in the public healthcare system is poor access to information by emergency medical personnel. A solution that can provide historical patient information to admission units of public hospitals, and information to ambulance personnel on the nearest public hospital that has available beds can assist paramedics to ensure patients can access emergency services more easily upon arrival at hospitals. Such a solution could also be enhanced if paramedics can enter patient symptoms and conditions prior to arrival at

SUSTAINABLE ECONOMIC VALUE *continued*

Digital inclusion *continued*

hospitals, ensuring appropriate doctors can be alerted beforehand. In partnership with medical authorities and other information management solution providers, we aim to offer such a solution in at least two MTN markets in the medium term.

mEducation

Affordable access to formal education is a key developmental constraint in our markets, and we are continually exploring new ways to promote access to education and learning through digital platforms and opportunities. Our mEducation solutions are mainly focused on e-learning, open access courses and the provision of e-books. In Liberia, our mobile library services provides our subscribers with access to a wide range of e-books on their mobile devices. Our partnership with Regenysys Business School offers free access to educational course material. This enables subscribers to equip themselves with business knowledge and skills enabling them to make financially informed decisions.

mInsurance

In Zambia we offer EduSure, an education insurance cover for parents who wish to save for the current and future educational needs of their children. Premiums are paid using MTN Mobile Money accounts, which also enables convenience and accessibility to this service to people residing in rural areas. In Zambia and Ghana subscribers are able to obtain mi-Life insurance cover using their MTN Mobile Money accounts or subscriber airtime. The Y'ello insurance Cover in Nigeria has over 1,2 million policyholders and can be paid for using airtime directly on their mobile phones. The MTN Life Care insurance provides an opportunity for uninsured low-income groups to access affordable medical and disability insurance cover in Uganda.

Smartphone affordability

To ensure affordability, we offer MTN-branded smartphones at a cost lower than the average cost of a smartphone (less than US$35) in Uganda. We also maintained our partnership with Fenix International and in 2015 we were able to offer free internet-enabled MTN Shyne phones when customers purchased ReadyPay Solar Power. This phone is embedded with 100MB worth of data and has other useful features such as a torch and an FM frequency radio. Our partnership with Google and Infinix Mobility allows us to provide devices through the Android One initiative in Nigeria. These devices are loaded with useful information such as local maps and listings of local small businesses and places of interest. We hope this initiative can also support the growth of local entrepreneurs. We also partnered with Samsung and Standard Chartered Bank to launch a device financing programme that allows access to low-cost loans to finance smartphones and tablets in Nigeria. We increased smartphone penetration in our markets to 30,3% at the end of 2015 (up 7,3% from June 2015).

Roaming costs

We ensured that more than 700 sites and 16 towns in Cameroon have access to third and fourth-generation (3G and 4G) services, and we hope to extend this to 75% of the population in Cameroon by 2018. These services promote digital inclusion by enabling faster and enhanced voice communication and data services. In Rwanda we reduced roaming rates in the Northern corridor countries by adding South Sudan to the One Network Area programme in 2015. This programme, which was launched in 2014, includes Rwanda, Kenya, Uganda and Sudan. The inclusion of South Sudan in this agreement has enabled Rwandan peacekeepers in South Sudan to communicate with their families and associates at affordable rates, and has improved regional networks. The reduction in roaming rates also has unquantifiable benefits including a reduction in the cost of business and enhancement in regional economic development.

Other socio-economic digital solutions

To encourage entrepreneurship and social development in our markets we participate in a number of initiatives that assist micro-enterprises and SMEs. The APPtitude Initiative, to encourage the use of mobile applications in an easier, faster and more efficient manner, was offered to our Nigerian customers at no cost for a limited period of time. We have also initiated a programme to support app developers and SMEs in converting their websites to mobile applications, assisting them to extend their business reach. The MTN Solar Cart in Benin, a partnership with the Netherlands International Organisation, enables young entrepreneurs to offer MTN products and mobile charging services in a profitable and environmentally responsible manner. In phase one, 100 MTN airtime agents invested in solar power businesses, increasing their revenues through phone charging services, solar lamp sales and increased airtime sales.

Case study on www.mtn.com/sustainability

In Lagos, where the levels of traffic congestion affect many aspects of mobility, commerce and life, our partnership with Etisalat enables us to provide real-time data at affordable rates, improving people's abilities to adjust schedules and plan their activities.

Further examples and case studies of MTN's solutions to close the digital divide are available in the Group's reports archive.

www.mtn.com/sustainability

SUSTAINABLE ECONOMIC VALUE *continued*

Transforming enterprises

According to industry projections on the IoT it is expected that by 2020, 30 billion devices or connected things will be in use and interacting with the environment and providing actionable data or services. This development is one of the key opportunities shaping how MTN conducts business and contributes societal value. We are actively working on bundling our connectivity services with solutions that can reduce some of the daily problems faced in our African and Middle Eastern territories. As the next evolutionary step in connecting and managing machines, we launched our IoT platform in 2015. This enables us to offer services to a wide range of industries, connecting an otherwise fragmented population of devices and systems through an open platform that enables networked devices to exchange information and perform actions, responding intelligently to their environments without human intervention. We take a partnership-based approach to offering IoT solutions that empower enterprises and government services to monitor and improve their operational performance, learn and respond in real time, and enhance productivity and impact management activities, among other imperatives.

MTN's Machine2Machine (M2M) solutions include enterprise mobility management platforms, fleet and private vehicle management and asset tracking, fuel and utilities management, and security solutions, among others. For example, the MTN Smartcam available in Ghana combines a video camera and a security system in one solution, ensuring real-time alerts and live monitoring from smart cameras to mobiles, laptops, and tablets. We introduced a device that enables vehicle location tracking, speed regulation and vehicle shut-down via mobile handsets in Nigeria. Following the launch of a 4G network in some geographical areas in Iran, we also launched mobile broadband and mobile-based services including our M2M service for e-Government services and our platform for smart services and industries, such as Smart City, Smart Industries, mHealth, Smart Homes and Smart Cars and Transportation Systems.

Many of our enterprise solutions are available as business applications (apps) on mobile devices. For example in Nigeria, MTN's remote medical diagnostics app can be used by any medical organisation providing confidential, real-time access medical reports on a smartphone. This paperless system ensures that medical practitioners can access results at any time, in any location, reducing the time it takes to react to patients' conditions. Our mobile survey app is available to companies and government departments that require accurate research and data collection, eliminating the need for paper use in survey collection, and increasing the flexibility to dynamically change questions, collate and share results quickly, and upload data or monitor in-field researchers through GPS technology. Our transport and logistics app improves fleet control through real-time tracking of fleets and goods,

provides electronic delivery proofs and reduces reliance on paper-based documents, and sends real-time alerts on shipments, deliveries and loads via SMS and email.

In addition to our existing strategy of providing high-end, dedicated fibre networks, we launched a new multi-tier model in 2015 in support of our strategy to invest in open-access networks to increase economies of scale and choice for smaller businesses and consumers. To ensure enterprises can reach their full potential, we introduced a secure online platform to help small businesses increase their online presence in South Africa. We also partnered with Sage Pastel to offer a secure and affordable mobile accounting application specially developed for small businesses in Africa. This service is available in all countries in which we offer cloud services. In Nigeria, we launched the Next Level Initiative, providing a bundle of SME-tailored solutions such as cloud services and free online listings of all SMEs in a globally accessible online catalogue. We partnered with uAfrica to enable businesses to develop their own online stores, allowing mobile devices to be used for trading by local entrepreneurs in Nigeria, Kenya and Uganda. This solution also includes payment facilities, logistics management and marketing support. We also launched a secure, cloud-based offering for micro-banking in Nigeria, enabling access to software services that can be rapidly implemented without licensing and set-up costs, to support the drive by micro-finance institutions to improve financial inclusion nationally and enhance SME access to funding for business growth.

The global economy is being forced to transition to new consumption models, given increasing resource constraints and negative environmental impacts. As an ICT operator, we are aware of the role we can fulfil in assisting our customers to reduce the number of physical materials they use in their homes and businesses, and to mitigate the negative environmental impacts associated with manufacture, use and disposal of products. ICT solutions can assist the world in realising the objectives of the sustainable development goals, by changing how we can use scarce resources and allowing businesses, governments and consumers to achieve more, with greater efficiency, using fewer environmental resources or creating smaller impacts. MTN is particularly concerned about resources such as water, energy, food, biodiversity and wildlife, among others. We operate in emerging markets where the need to adapt to changing environmental conditions, coupled with the lowest levels of financial and other resources, is becoming increasingly evident. We are therefore well placed to offer products that support resilience in the face of these challenges, while representing commercial opportunities for us. Our smart energy meters monitor electricity consumption via remote application infrastructure, providing insight into how, when and where energy is used, allowing effective management of this scarce and generally GHG-intensive resource. This

SUSTAINABLE ECONOMIC VALUE *continued*

Transforming enterprises *continued*

solution is currently deployed in South Africa, helping municipal authorities maintain electricity use among consumers at an optimal level, and supporting the appropriate allocation of available energy under conditions of ongoing national supply constraints. Our water monitoring service enables meter-reading through an interface linked to water meters. This ensures real-time reporting of consumption, leaks, usage efficiency and wastage, etc. The smart meter also monitors and communicates about the quality of water being used, and is part of our broader water management solution suite, which will help monitor water levels in groundwater sources, rivers and dams and enables analysis for more effective flood monitoring, response time management and loss mitigation, and resource planning. Our solution can also be used to monitor fluid in containers.

We hope to support the
fight against wildlife poaching
in 2016 by embedding tracking systems into the horns of vulnerable animals.

We plan to enable climate smart agricultural solutions in some of our markets by deploying M2M connectivity for remote monitoring and decision-support services for challenges such as water balance, disease and climatic conditions, trade information, mobile payments and offering agricultural content on mobile devices in 2016.

The ubiquitous availability of mobile technologies no longer requires innovation to be limited to small groups working in close physical proximity. To encourage the growth of original, locally relevant solutions, we launched the first MTN Business Mind2Machine Challenge, in partnership with Intel South Africa and the Innovation Hub. Developers and entrepreneurs were challenged to present working prototypes of solutions that may solve real life business challenges using connected device solutions. The winning solution was selected based on meeting a key need for fuel management in South Africa, enabling monitoring, control and management of geographically distributed mobile and fixed generator sets, by inspecting the power, fuel and alarm systems of the generators. Along with the MTN Business App of the Year, which we launched in 2012, and which showcases locally developed applications available across different operating systems, these challenges support our strategic intent to digitise scalable, appropriate solutions for the African context and extend the IoT to public sectors, industries and businesses.

2 ECO-RESPONSIBILITY

Overview

- Africa and some of our Middle Eastern markets have the least economic resources to cope with negative environmental outcomes: we therefore have a responsibility to our communities.

- Our material areas of environmental impact are related to energy consumption, physical infrastructure impacts, and management of waste from consumption of electronic and other resources.

- We invest in energy-efficiency solutions and "green" power sources, and now operate 329 green sites across our network.

- Through initiatives such as the MTN Green Office and the Ericsson ECOM 2.0 partnership, we conduct internal and public awareness campaigns and drive reductions in related office and electronic and electrical waste.

ECO-RESPONSIBILITY

We continually work towards achieving more, using fewer resources, to reduce our environmental impact.

We have long maintained the economic and societal necessity to reduce our environmental impact. The countries in which we operate are among the most environmentally vulnerable parts of the world, and largely have the least economic resources to cope with negative effects of environmental events and resource constraints. By supporting the global imperative for valuing the environment through the prudent use of resources, we aim to improve our own resilience and mitigate some of the adverse environmental impacts of business operations. We are also aware that ICT solutions can increase the capacity of communities to adapt in an environment with fewer resources and we are also exploring a range of opportunities where digital solutions can contribute to the efficient use of resources in the energy, water and agricultural sectors, among others. More information on some of our products is available at https://www.mtn.com/Sustainability/sustainableEconomicValue/Pages/EnterpriseServices.aspx and www.mtnbusiness.com.

MTN's most material areas of environmental impact relate to the consumption of energy by our business operations, the use of electronic and electrical equipment by ourselves and our customers. This results in greenhouse gas emissions, end-of-life waste management challenges and opportunities, and environmental impacts during the installation, operation and decommissioning of technical and non-technical infrastructure and facilities. Through our investments in efficient and green power sources, energy, carbon accounting programmes, e-waste management and office greening projects, we continually work towards achieving more, with fewer resources, and a smaller environmental impact.

Case study on www.mtn.com/sustainability

MTN Group positions on www.mtn.com/sustainability

Objectives		Results
■ Evaluate impact of changing infrastructure ownership profile and requirements on energy use		Multiple efficiency/ alternative energy solutions have been implemented but there is still opportunity to consider GHG reduction/avoidance solution configurations
■ Undertake internal management reviews of energy consumption accounting and reporting processes and systems		Reviews were completed in 2015, but results of improvement in processes and systems required may only materialise after operational implementation and further assessments over 2016 and 2017
■ MTN Cyprus to achieve ISO 14001 certification		This objective was realised. MTN Cyprus also exceeded basic requirements by automating customer statements and using internal sustainability education videos in stores to create public awareness
■ Launch MTN Green Office Phase 1 project in at least seven countries		A total of 12 countries participate in Phase 1
■ Increase public awareness of e-waste in one other MTN country of operation		Two countries (Benin and Ivory Coast) have undertaken this programme

👍 Achieved   🔍 Needs more work

ECO-RESPONSIBILITY *continued*

Energy and climate

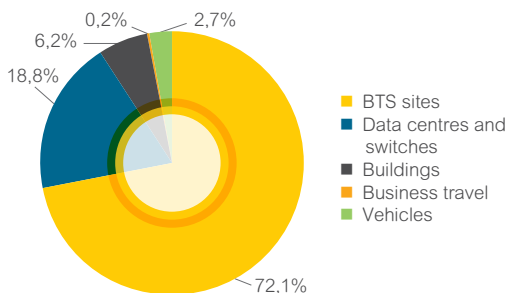### Energy and carbon management

National energy supply insecurities in almost all of our markets, rising global greenhouse gas levels, regulatory developments regarding carbon emissions, MTN's cost management and greenhouse gas reduction drives, and our general culture of investing in innovative partnerships to sustainably achieve business objectives are some of the key aspects framing how we use and manage energy in our operations.

📝 *Reducing GHG emissions*

MTN Group: GHG emissions per source

- BTS sites
- Data centres and switches
- Buildings
- Business travel
- Vehicles

0,2% 2,7% 6,2% 18,8% 72,1%

Our largest contributors to greenhouse gas emissions (GHGs) results from our use of energy for our base station sites, data centres, switches and remote hubs – the key infrastructure used to deliver services to our customers. These facilities use mostly fossil-based energy and therefore represent our largest source of greenhouse gas (GHG) emissions.

Our energy management strategy is focused on extracting efficiencies, and reducing our consumption of electricity and diesel, while switching to alternative energy sources where possible, first within our network and technical facilities, and then within our office-based facilities. While we do not own or lease a large fleet of vehicles, we also monitor the use of fuel use by these assets. Air travel forms a statistically immaterial component of our emissions, but we also monitor and report on this in our annual CDP report.

Through ongoing analysis and internal reporting processes, and investments in energy-efficient infrastructure and in greener sources of power, we are improving our energy security position, saving costs, and managing the growth of emissions relative to the growth of our business.
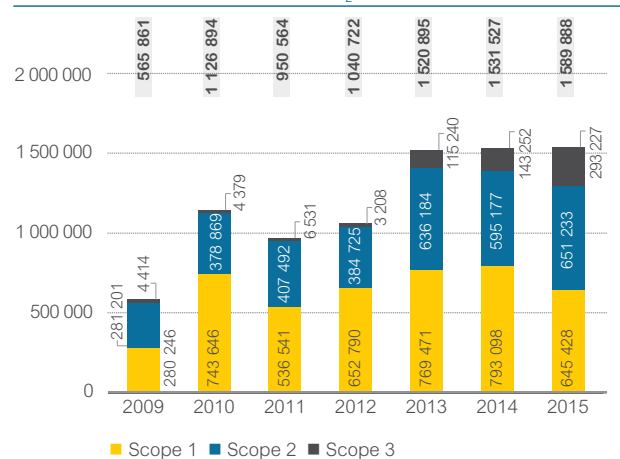
2015 energy and carbon results

In 2015, we consumed 15 212 286GJ of energy, predominantly from grid power and diesel and petrol. Our carbon footprint was 1 589 888 tonnes of CO_2e (3,81% up from 2014). Our GHG intensity per subscriber was 0,0072 tonnes of CO_2e per subscriber (0,0069 in 2014).

CDP *www.cdproject.net*

MTN Group annual emissions (tCO$_2$e)

■ Scope 1 ■ Scope 2 ■ Scope 3

The most material carbon reporting change in 2015 has been the classification of 14% of emissions historically accounted for under Scope 1 criteria to Scope 3 in 2015, due to the outsourcing of network sites in Nigeria. These emissions are now reported as Scope 3. In 2015, we also include emissions associated with our operations in South Sudan for the first time. This contributes less than 1% to the Group's total GHG emissions for 2015. GHG emissions have increased slightly in 2015 due to the materially significant increase in electricity consumption in Iran and South Africa. We excluded emissions associated with operations in Yemen (which represented approximately 4% of the 2014 footprint) due to challenges of operating network sites as a result of the national political and security situation in the country. We also continue to exclude data from MTN Syria, again due to challenges associated with secure access to sites for fuel and operational maintenance, and as well as the number of damaged and non-operational sites as a result of the political situation.

Key performance results for 2015 include:
- Diesel saved: 2 870kℓ
- Electricity saved in 2015: 122MWh (105 345GJ)
- GHG emissions avoided/reduced: 7 947tCO$_2$e. (This is the additional GHGs that would have been emitted had we not invested in the additional renewable energy and energy efficiencies investments historically.)

While lower average international diesel prices was a positive factor in financial savings over 2015, MTN faces an increasing challenge of sustaining the same levels of consumption efficiencies and cost savings in future compared to our historical performance. This is due to the fact that we have significantly optimised our infrastructure

ECO-RESPONSIBILITY *continued*

Energy and climate *continued*

for efficiencies in a number of areas and we are now realising ongoing savings. Along with network modernisation and investments in new data centre technologies and facilities which are highly energy-efficient, there is less room to extract greenhouse gas reduction opportunities. We know, however, that we have not completely exhausted all solutions for energy optimisation across our infrastructure and geographical footprint, and continue to improve the energy performance of our assets.

This year, we have elected to change the basis of presenting savings data from cumulative results for all projects historically implemented (projects over time) to savings from projects implemented in the reporting year only (new projects for period under review). This will provide our stakeholders with a more useful view of the impact of MTN's efforts for comparison on a year-on-year basis.

We did not undertake external assurance in 2015. We elected to conduct internal management reviews of the main systems and processes in our network and non-network operations which inform the Group's energy and greenhouse gas profile. This review was conducted across a sample of MTN countries. We elected not to conduct external assurance of our energy and carbon emissions, unlike previous years, due to the impact of a number of strategic changes within MTN in the past few years. These changes have increasingly impacted how we actively reduce our consumption of energy, and report on our carbon emissions. The changing context for MTN's energy and carbon management that follows describes the factors that led to our decision not to present externally assured numbers for 2015.

In 2016, all operations will obtain the results of this internal review process, in order to implement the necessary systemic changes between 2016 and 2017. This will support further internal management reviews and enable us to recommence external assurance processes commencing in 2017 to 2018.

Changing context for energy and carbon management

Our energy management strategy has been evolving alongside our changing infrastructure investment and management strategy. As a result, the outsourcing of our networks has reduced the materiality of some of our Scope 1 emissions, and has increased the materiality of our Scope 3 emissions. These changes also inform our

efforts on the types of facilities (network, non-network technical, buildings, etc.) we manage, how we reduce energy consumption and GHG emissions, and which facilities we select for internal and external assurance.

As we continue to implement our strategy to outsource our base station or network sites to tower management companies, as a lessee of these sites, our ability to control efforts to improve energy efficiency and reduce GHG emissions is limited. Between 2010 and 2014, sites in Ghana, Uganda, Cameroon, Ivory Coast, Zambia and Rwanda were outsourced. In 2015, MTN Nigeria's sites were also outsourced. Together these represent approximately 32% of our sites. We continue to account for energy consumption at these sites, as costs are passed onto MTN either directly or as part of a consolidated site usage fee. As we report GHG emissions according to the operational control boundary, outsourcing results in a shift in the classification of emissions from Scope 1 (direct) to Scope 3 (indirect) emissions. Given our reliance on these outsourced sites we will regard these Scope 3 emissions as material over the medium to long term (while Scope 1 emissions will decline materially). However, we are unable to get data in sufficient detail from our business partners to undertake assurance on this material contributor to our energy costs and emissions. We maintain constructive and ongoing discussions with our tower management partners about their efforts to reduce relative energy consumption, improve efficiencies and invest in alternative energy solutions.

As we extend our offering of digital services, our investments in data centres is increasing, either through retrofitting and modernising existing facilities, or investing in new, highly energy-efficient data centres. We are currently unable to isolate the aggregated impact of our data centre investments in energy consumption and carbon emission reductions, but individual assessments indicate savings from our efforts (case studies on the energy and GHG impact of some of these data centres may be viewed on our website). We therefore also continue to shift our efforts to manage energy consumption and climate change-related risks to infrastructure and facilities where we have operational control. Our focus is on ensuring good data management systems and implementation of efficiency and alternative energy solutions at our data centres, switches and remote hubs, and large office buildings. These non-network technical facilities will increasingly be the focus of efforts to reduce costs, greenhouse gas emissions, and to ensure business continuity.

ECO-RESPONSIBILITY *continued*

Energy and climate *continued*

Energy and climate risks and mitigation, and opportunities

The Group's Risk Management Framework, which highlights the principle risks we face as a business, also indicates the nature of environmental risks that MTN faces. These risks impact MTN operations, and our customers and communities. Risks and opportunities affect each MTN country differently and therefore each is responsible for driving the identification and management of risks specific to their context. Three of the most commonly identified country risks related to energy and climate change risks are of most concern to us, but also present opportunities for mitigation or commercial solution development. These risks include:

- Physical environmental changes due to climate change (which may include intensity and frequency of weather-related events and temperatures) that can damage sensitive technical infrastructure and key facilities. These changes can also disrupt our supply and distribution chains, threaten energy supplies and bring overall uncertainty to the markets in which we operate. Scientific evidence suggests that many of the countries in which we operate will be subject to these changes.
- Regulatory developments relating to future caps or taxes on GHG emissions continue to present uncertainty in South Africa and possibly in Cyprus, Cameroon and Guinea Conakry.
- Financial and supply risks are increasing due to the changing global and national energy security and pricing dynamics.

To mitigate these risks, we require all operations to regularly monitor and manage all events that may impact business continuity. The Group's business continuity management plans are currently being extensively reviewed, to ensure ultimate maintenance of technical and disaster recovery plans across the business. We continue to actively review all possible solution configurations to increase our financial and physical energy security positions, some of which are indicated in the section on Investments. This helps us reduce our reliance on diesel and coal-based grid power where possible, and reduces our greenhouse gas emissions, thereby also reducing potential carbon tax liabilities.

We are also acutely aware of the opportunity to use our ICT services to help industries dematerialise, and improve the management, use and allocation of appropriate natural resources, while becoming more resilient in the face of physical climate change and increasing costs of business. Some of our solutions are indicated in the section on Transforming Enterprises.

Investments

While we pursue our strategy to outsource our towers, we remain aware of the need to realise financial and climate-related efficiencies for existing owned or operated facilities. Please see our online infographic for the types of solutions we implement.

Reducing greenhouse gases

Between 2011 and 2014, we implemented energy efficiency solutions at approximately 9 989 network sites, as well as at data centres, switches, hubs and office buildings. In 2015, an additional 450 sites were improved. We now operate 329 solar and solar-hybrid sites (2014: 205). MTN also operates a handful of wind, gas and other "green-powered" sites. Case studies highlighting the results of these investments are available on our website, and in our CDP reports.

Annual GHG savings (tCO$_2$e) by project type

Pie chart values: 15,4% · 12,9% · 11,6% · 8,2% · 7,3% · 5,9% · 4,4% · 3,2% · 1,2% · 0,3% · 0,1% · 0,1% · 28,7%

- Energy efficiency: optimisation (BTS)
- Solar hybrid BTS sites
- Cogeneration
- Hybrid diesel BTS sites
- Vehicle fuel reduction
- Fuel switch
- Energy efficiency: cooling (data centres)
- Energy efficiency: optimisation
- Energy efficiency: lighting
- Solar PV BTS sites
- Energy efficiency: cooling
- Energy efficiency: passive spitters
- Hybrid diesel BTS sites
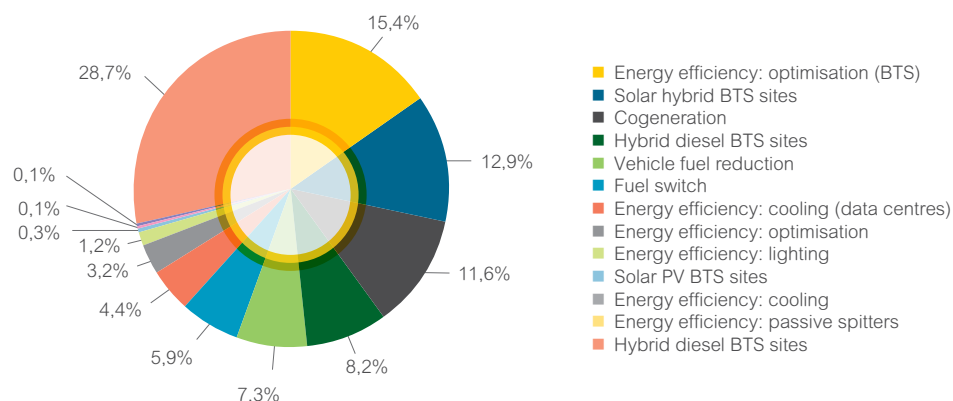
ECO-RESPONSIBILITY *continued*

Environmental management

Networks, mobiles and environment

MTN's material areas of environmental impact results from the use of energy for our business operations (see Energy and Climate section). We also use, affect or generate waste, water, biodiversity and radio frequencies through operating technical and non-technical infrastructure, facilities, equipment and office resources. Please refer to the Group's positions on Networks and Environment, and Mobiles and Health, on our website.

- *Networks and environment*
- *Mobiles and health*

E-waste

Electronic and electrical items contain valuable elements that can generate income for recyclers and businesses. These items also contain components that can negatively harm the environment and create human health hazards if not managed responsibly at the end of their useful lives. In 2015, over 42 million tonnes of e-waste was generated or shipped to Africa alone according to the Institute of Advanced Studies of Sustainability. The impact on the environments and communities in which we operate remains a matter of concern to us. Like many ICT organisations globally, we are faced with challenges related to regulatory matters, compliance and enforcement, upstream and downstream stakeholder understanding, and leadership commitment and active engagement across the value chain. ICT e-waste refers to cellular or mobile handset and electrical accessories, network equipment (predominantly air-conditioning units, batteries, generators, and other "mixed-waste" electronic and electrical) and IT equipment that have reached the end of their useful or desirable lives.

The most practical way of tackling this complex problem is through supportive partnerships. Our partnerships with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in South Africa previously, and our current partnership with Ericsson on their Ecology Management (ECOM 2.0) programme in Benin and Ivory Coast in 2015 are two examples of how we are attempting to improve awareness about the problems created by e-waste generation, increase collection and recycling volumes, and mitigate our environmental impact.

- *E-waste training material*

Key results of these partnerships include the following:
- 534,5 tonnes of e-waste handed over for extracting valuable elements and components, or for safe disposal in 2015. This also included collection from pilot projects in Benin (23 tonnes) and Ivory Coast (70 tonnes). The e-waste project in Ivory Coast was also supported by the Ministry of Environment, Public Health and Sustainability.
- Ongoing e-waste management in partnership with four SME handlers in South Africa, following the conclusion of our partnership with GIZ in 2014.
- Eight e-waste collection points maintained in South Africa (permanent), and one each in Benin and the Ivory Coast over the fixed term of the pilot projects in 2015.

With the challenges of e-waste management across the value chain, and involving multiple stakeholders, our partnership with Ericsson will grow organically.

The reasons for an increase in e-waste handed over for handling or recycling includes improved accounting and volume of e-waste collected in South Africa and collections from the fixed-term pilot projects undertaken in Benin and Ivory Coast. Approximately 99,7% of our e-waste in South Africa was derived from old handsets, while network and IT equipment comprised the remainder of waste processed by our e-waste handlers.

The pilot projects have been met with interest and requests for extensions by stakeholders. With the challenges of e-waste management across the value chain, and involving multiple stakeholders, our partnership with Ericsson will grow organically, as we learn lessons to improve efforts, efficiency and results from each pilot project, and we hope to implement sustainable solutions to e-waste management over time.
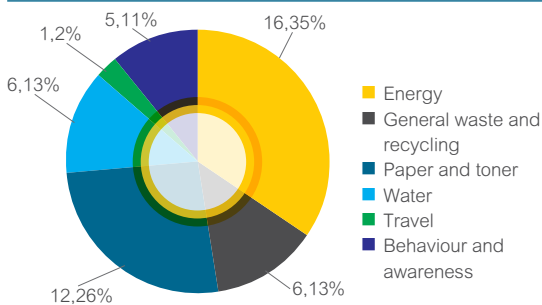
ECO-RESPONSIBILITY *continued*

Environmental management *continued*

The Green Office

In late 2014, we launched the MTN Green Office Programme, to formally consolidate existing initiatives in our operations and actively change internal behaviour with respect to the use of environmental resources, and to achieve more quantifiable results from resource conservation efforts. Using our Green Office Toolkit, project managers in our operations select the types of initiatives they wish to run, in order to reduce consumption and cost of energy, water and paper and toner, general waste, and transport. In Phase 1, operations mainly focused their efforts on securing understanding, buy-in and support at all organisation levels, setting up project teams, and selecting a few qualitative and quantitative indicators for realising energy, water and paper use efficiencies, management of printing and general waste reduction.

Green Office initiatives

- Energy — 16,35%
- General waste and recycling — 6,13%
- Paper and toner — 12,26%
- Water — 6,13%
- Travel — 1,2%
- Behaviour and awareness — 5,11%

Project managers and champions in 12 MTN operations customise implementation of the toolkit based on their local operating conditions, management and employee engagement and support, and alignment to existing business initiatives where possible. For example, MTN Rwanda implemented a Virtual Top-Up system which enables the sale of airtime to customers without using physical vouchers and cards. MTN Rwanda also worked with a local recycling company to create bags from old MTN marketing material. MTN Ghana and MTN Guinea-Bissau ensured that green building design principles such as natural lighting maximisation were integrated where possible into new building premises. MTN Afghanistan successfully integrated a number of energy saving measures into facility and equipment management areas, and saves approximately R53 000 each month as a result. Some operations such as Ivory Coast have switched to the use of electronic signature approvals processes to reduce paper use, and have installed large water dispensers to remove the need for using smaller bottles of packaged water. MTN Cyprus has saved over 4 100 kilograms of paper through its efforts, while in Nigeria the completion of an eco-audit positions the operation for implementing EMS systems in future. MTN South Africa is ISO 14001 certified, and maintains a silver level Leadership in Energy and Environmental Design (LEED) status. We are pleased to report that MTN Cyprus was certified as an ISO 14001 operation in 2015.

MTN Cyprus received

ISO 14001

certification in 2015.

We will consolidate results and use the lessons we have learnt from this process to extend the number of initiatives and improve on the quantitative and qualitative results achieved in Phase 1, and we aim to commence Phase 2 of this programme in 2016.

SUSTAINABLE SOCIETIES

3

Overview

- We have re-doubled our efforts towards improving internal awareness and practices expected in terms of our ethics framework and good governance practices.

- We are reviewing our digital human rights due diligence processes to ensure customer, employee and operational safety and to balance stakeholders' rights more effectively.

- Our ongoing focus on employee health and safety ensured that no lives were lost in 2015.

SUSTAINABLE SOCIETIES

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

The relationship between business and society continues to evolve at an ever-increasing pace and with greater complexity than the global community has experienced historically. As one of the largest mobile operators in our markets, we know that we must actively contribute towards ethical, well-governed, safe and healthy living and working environments for our employees, customers and communities. This is imperative for us to sustain our business over the long term.

Over the past few years, MTN has faced a number of challenges which have led to our stakeholders and the general public to raise questions about our corporate governance positions. Ethics forms an integral part of being a responsible corporate citizen, and we have redoubled our efforts towards improving internal awareness and practices which are expected in terms of our ethics policies. To increase transparency and respond comprehensively on the Group's ethics governance and management efforts, the MTN Group's code of ethics and

governance and management approach are now available on our website.

🌐 *www.mtn.com/mtngroup/about/pages/ethics*

For purposes of avoiding duplication, we have not prepared a separate response in this report with respect to the Group's activities in managing matters of anti-corruption, conflicts of interest and the progress made in implementing the Group's Ethics Management Framework in 2015. Please review the Group's response in the latest Integrated Report available on our website. Our UN Global Compact Report, Social and Ethics Statement and Anti-Corruption and Conflict of Interest positions are also available online.

📝 *MTN Group positions on www.mtn.com/sustainability*

Objectives		Results
▪ Renew focus on awareness and implementation of ethics policies and practices within MTN	🔍	Conducted employees conflict of interest declarations process; ensured 1 456 employees undertook online ethics training; investigated tip-offs received through anonymous whistle-blower line; conducted Fraud Awareness Week; contract external independent company to perform bribery and corruption risk assess within MTN's context for 2016; continue engagement with National Business Institute's "Mainstreaming Integrity in Business Practice" and Alliance for Integrity dialogue and ideas exchange forum
▪ Complete ICT Human Rights due diligence process definition in Group Toolkit	🔍	The task was started but not completed in 2015; Group Business Impact Assessments for two new sources of human rights risks have been improved and tested, and will inform process definition for 2016
▪ Increase public awareness about internet safety in Cyprus and Iran	👍	MTN Cyprus launched an application on Facebook for customers to obtain information on internet access dangers. MTN Irancell launched the "Kids and Teens" service for content management by parents
▪ Review MTN operational response processes required to ensure operational and employee safety given increasingly risky country or operating environments	👍	Business continuity management governance structures and impact analysis assessment reviews are under way
▪ Maintain processes and implementation activities to ensure little or no Ebola infections among employees in affected countries	👍	No employees were affected in 2015

👍 Achieved   🔍 Needs more work

SUSTAINABLE SOCIETIES *continued*

Digital human rights

Operating context and key issues

The concept of digital or ICT human rights came to the fore as a result of a number of key events over the last five years, including the use of technology and communications during the Arab Spring and the London Riots of 2011. Also a factor were revelations of the role of state agencies in monitoring communications and the systematic reach into all facets of digital communications by whistle-blowers such as Edward Snowden, and the leverage of connected networks to create awareness of their positions by self-organising and non-state actors. With over seven billion mobile subscriptions globally, ICT has enabled access to services, opportunities and liberties at a scale not previously enjoyed. The World Economic Forum identifies a number of challenges and trends to communications in its report of internet fragmentation, some of which indicate the impact of these on human rights.

Addressing the challenges we face requires the co-ordination and engagement of stakeholders across the regulatory, industry and civil society sectors

Commercial information technology and communication solutions and service providers globally increasingly face the reality of being used for political and other expediency reasons as a result of these developments. It is clear that the open principles on which the internet was founded is under threat. The public itself is also often torn between the need for security, and a concern about the increasing erosion of personal liberties, rights and privacies in the use of telephonic and internet communications. Balancing the needs, demands and risks of the conflicting positions assumed by multiple stakeholders is a relatively new challenge to the industry.

There are many aspects that frame the debate about communication rights. The primary ones include the following:

- The ubiquitous availability of technology is radically changing historical ways of conducting business, socialising, travelling and making payments, creating concern among authorities.
- Increasing geo-political instability is fuelling a rise in demands by governments for access to, or restrictions on, communications in order to address concerns

around terrorism or criminal activities. These demands are also leading to proposals for new laws which may have the effect of eroding freedoms.
- The lack of harmony between digital evolution and the largely analogue laws which govern communications hinders the ability to sufficiently discriminate between innocent use of communications and its use for inappropriate purposes, resulting in mass impact on the public.

These realities have forever changed the way in which people have freely used and understood digital communication services in recent times, and this will continue in the foreseeable future.

Operating across southern, west and central-east Africa, the Middle East and Asia, with widely varying political, cultural, economic, social and regulatory contexts places MTN is in a challenging position of balancing the requirements of 22 operating licences and numerous laws of these countries with demands for respect for basic rights and freedoms as set out in the UN's Universal Declaration of Human Rights. As a commercial, politically agnostic listed organisation, it is to be expected that MTN may sometimes struggle with the practical implications of these global developments over which we have little or no control.

2015 actions and results

Three years ago, we developed the Group's Freedom of Expression, Privacy and Security policy, which set out the principles of digital human rights that we believed were necessary to more effectively meet these challenges.

MTN Group positions on www.mtn.com/sustainability

Implementing the principles of this policy is an activity that will require a few years of our time, and constant vigilance to very fluid developments globally, as indicated by the context set out above. We are therefore committed to unpacking these principles in a systematic way.

We aim to finalise an internal checklist or guidelines to help our operations to analyse situations and consider the various scenarios, risks and impacts of decisions and operational actions.

SUSTAINABLE SOCIETIES *continued*

Digital human rights *continued*

In 2015, we focused on improving operational and tactical governance and due diligence processes to mitigate risks or the impact of events that effectively limited freedom of expression, privacy or security. We have commenced, but not yet completed, this process. We do not as yet have all the solutions or standardised processes in place. Very few ICT organisations do, as research by Ranking Digital Rights indicated in 2015. However, the partial completion of the Company-wide standard process has not hindered our country-specific operations. Two recent cases illustrate this. In one case, MTN and other mobile operators were requested to limit access to communication services. We managed the impact of this request by activating our crisis management plans, ensuring that some network traffic was diverted via our redundant network where possible, reviewed employee and asset safety requirements, and assessed sufficiency of stocks of airtime for voice communications. We also held discussions with regulatory authorities to communicate the importance of reducing negative impacts on customers, and with civil society organisations. In the other instance, we responded to a request for information in a joint approach with a number of our competitors. We challenged the regulator's request on a legal basis while proposing constructive discussions in order for us to understand the reasons for, and implications of, the request, and to ensure that solutions can be developed over time. Due to the nature of these situations, we are unable to disclose more specific information. Such situations demonstrate how our existing business processes adequately help MTN address its challenges, but there remains room for refinement. The purpose of developing generic Group protocols is to create a greater degree of standardisation and operational responses in certain situation. These processes will, however, not dictate country-specific responses: the operating contexts of each country and each incident will determine the ultimate course of action taken by local management. The cases illustrated above indicate the need for operational discretion to manage the unique requirements and complexities of each situation as effectively as possible, to mitigate certain risks or impacts.

Addressing the challenges we face requires the co-ordination and engagement of stakeholders across the regulatory, industry and civil society sectors. We maintained open and constructive dialogue on both specific situations and our general progress on human rights processes with interested parties. We believe that some of these relationships have improved as a result of the increased availability and transparency of our discussions. These discussions are useful and jointly build understanding, knowledge, capacity and support for managing this highly complex matter.

We acknowledge the extensive scope of managing digital human rights, and the need to improve our processes. It is not always easy to balance the rights and demands of often diametrically opposed stakeholder positions, while ensuring we remain legally compliant and meet the requirements of our regulatory licences. However, our business is about enabling communications, and effectively managing this is therefore in our best interests.

2016 plans

To improve operational and tactical governance and other due diligence processes, we aim to finalise an internal checklist or guidelines to help our operations to analyse situations and consider the various scenarios, risks and impacts of decisions and operational actions. The role of the Group's business continuity management and governance approach, and issue management processes, will also be an important aspect in ensuring learnings from previous experiences in other operations, and effective management of this matter.

SUSTAINABLE SOCIETIES *continued*

The workplace

Health and safety

MTN Safe, our partnership with International SOS and Control Risks, ensures employees can access a network of medical, security, travel and emergency assistance resources at any time worldwide. Various services are available for local employees, employees travelling for business purposes, expatriate employees and employees' families during personal travels. The Group's crisis management policy and toolkit also includes a focus on managing and reducing the risks of health and safety-related incidents in order to protect employees, customers, visitors, equipment and facilities from harm . No lives were lost in 2014 and 2015.

The risk of Ebola infections or outbreaks declined in affected countries in 2015. None of our employees were affected in 2015 (down from one case of employee infection and recovery in 2014). The Group executive crisis committee continues to monitor initiatives for prevention and mitigation, while local MTN teams work closely with governments, medical services and other authorities to provide daily tracking and management of initiatives within our operations.

In South Africa, incidents of xenophobia-related attacks erupted nationally, sparking protests in African countries whose citizens were impacted by the attacks. This resulted in minor damage to one site in Nigeria. No employees were harmed. Through charitable donations, we provided financial aid to victims of the attacks housed in transit camps in South Africa.

There are increasing levels of political unrest in areas within which we operate, specifically in countries such as Syria, Yemen and Afghanistan. MTN local emergency response teams ensure an in-depth understanding of local operating conditions and the possible impact on business operations and the safety of our employees, and implement immediate and longer-term solutions in these situations. Additional security measures for our employees in these high-risk environments are in place. For example, in some cases we have provided alternative safe accommodation arrangements for employees and their families.

Employee wellness

Health and safety officers or committees in our operations are responsible for managing workplace-related safety requirements and employee health services. Each country of operation manages matters of health and wellness in a way that best meets local operating requirements. In a number of countries, we run on-site clinics staffed by part-time or full-time contracted nurses or doctors. In Benin, Nigeria and South Africa, the clinics offer basic consultation or healthcare services for employees, while in the Ivory Coast and Guinea-Conakry, specialist and primary healthcare services are available to both employees and their families. Our operations also provide training, advice, and physical and digital notices related to personal protection, equipment prevention of workplace accidents and disease and injury adaptation to workplace practice. Awareness campaigns are also regularly undertaken for some diseases such as HIV/Aids, malaria, cancer, Ebola, etc. We hope to expand access to healthcare services across all our operations over the medium to long term.

Freedom of association

MTN is a United Nations Global Compact (UNGC) signatory, and we respect the principles set out by the International Labour Organisation (ILO) on fundamental labour rights within the workplace. Our commitment to the principle of freedom of association was demonstrated in South Africa, when industrial action was initiated by employees in the distribution and customer service business units. Employees were dissatisfied regarding the fact that bonus payments were not available following a review of the operation's annual financial results, and the fact that some services were outsourced. The Communications Workers Union (CWU) requested official recognition, which was accepted by MTN even though the national labour law recognition threshold of 30% was not met. We voluntarily recognised the CWU in the interests of resolution for all parties. We appointed an independent binding arbitrator to adjudicate the matters of the strike, and also signed a legal picketing agreement with CWU. The strike concluded approximately two months after commencement and all the affected areas returned to normal operations. Currently 16% of MTN South Africa's employees are unionised.

GC *UN Global Compact*   GRI *UN Global Reporting Initiative*

4

ANNUAL SUSTAINABILITY STATEMENTS

ANNUAL SUSTAINABILITY STATEMENTS

Sustainability value add statements for 2015

The Group's business objectives, key performance indicators (KPIs), and targets are set out in the MTN Group integrated report for the year ended 31 December 2015, under the Group strategic analysis and outlook section.

The table that follows indicates MTN's sustainability-related business performance. It complements and extends the MTN Group Value Added Statement reported in the MTN Group Limited integrated report for the year ended 31 December 2015.

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

Indicator	Notes	Unit	2015	2014	2013	2012	2011
EMPLOYEES							
Total employees		Number	**21 084**	22 204	25 424	26 705	24 252
Employee turnover		%	**7,8**	8,3	7	2,6	7,1
Employees retrenched	1.	Number	**335**	752	315	570	Not available
Expatriate staff		%	**0,8**	0,9	1,1	Not available	Not available
Females		%	**37**	37	36	25	32
Females at Group board level		Number	**3**	3	2	2	2
Females: senior manager level and above		%	**1,6**	1,5	1,3	0,85	Not available
Employees unionised (South Africa)	2.	%	**16**	Not available	Not available	Not available	Not available
Employee learning and development		R million	**224**	254	293	383	265
Training hours per employee		Hours	**12,9**	17,4	31,9	32,7	16
Employee culture survey results		%	**66***	65	68	68,87	69
Employees receiving performance review		%	**100**	100	100	100	100
EMPLOYEE HEALTH AND SAFETY							
Workplace-related deaths		Number	**0**	0	5	2	Not available
Workplace-related serious injuries	3.	Number	**17**	12	41	36	Not available
GOVERNANCE							
Operations with fraud management framework		%	**91**	91	86	81	Not available
Number of calls to tip-offs anonymous whistle-blower line	4.	Number	**128***	260	687	886	Not available
Employees undertaking online ethics training		Number	**1 456**	1 104	–	–	–

ANNUAL SUSTAINABILITY STATEMENTS *continued*

Sustainability value add statements for 2015 *continued*

Indicator	Notes	Unit	2015	2014	2013	2012	2011
ENVIRONMENT							
Group greenhouse gas (GHG) emissions		Tonnes carbon dioxide and equivalent (tCO_2e)	**1 589 888**	1 531 527	1 520 895	1 040 722	950 564
■ Scope 1: direct emissions		tCO_2e	**645 428**	793 098	769 471	652 790	536 541
■ Scope 2: indirect emissions		tCO_2e	**651 233**	595 177	636 184	384 725	407 492
■ Scope 3: indirect emissions		tCO_2e	**293 227**	143 252	115 240	3 208	6 531
GHG intensity per subscriber		tCO_2e	**0,0072**	0,0069	0,007	0,006	0,008
Energy savings (diesel)		kℓ	**2 870**	2 846	3 055	Not available	Not available
Energy savings (electricity: network and technical facilities)	5.	MWh					
■ Cumulative up to 2014			**Not applicable**	25 555	46 737	Not available	Not available
■ Actual: 2015			**122**	Not available	Not available	Not available	Not available
GHG avoided/reduced	5.	tCO_2e					
■ Cumulative up to 2014			**Not applicable**	29 034	54 587	Not available	Not available
■ Actual: 2015			**7 947**	Not available	Not available	Not available	Not available
E-waste	6.	Tonnes	**534,5**	326	469	Not available	Not available
Green Office: Paper use avoided	7.	kg	**5 771**	Not available	Not available	Not available	Not available
Green Office: Plastic, metal and drinks cartons waste recycled	8.	kg	**629**	Not available	Not available	Not available	Not available
ECONOMIC DEVELOPMENT AND SOCIAL INCLUSIVITY							
Corporate social investment (MTN foundations)		R million	**335,4***	282,5	314	235	128
Employee volunteers	9.	Number	**8 209**	9 571	11 562	12 007	12 784
Black economic empowerment (South Africa)		Score out of 100	**76,60**	85,72	75,58	85,4	86,9
■ Ownership (20 base points and 3 bonus points)		Score out of 23	**20,70**	21,34	21,00	21	21,2
■ Management and control (10 base points and 1 bonus point)		Score out of 11	**9,57**	10,37	11,00	8,9	8,4
■ Employment equity (10 base points and 3 bonus points)	10.	Score out of 13	**2,47**	5,45	5,02	12,2	11,8
■ Skills development	11.	Score out of 17	**3,24**	8,39	7,23	7,4	8,4
■ Preferential procurement (20 base points and 6 bonus points)		Score out of 26	**20,91**	19,66	9,61	17	17,1
■ Enterprise development		Score out of 11	**7,71**	8,51	9,72	14	15
■ Socio-economic development		Score out of 12	**12**	12	12	5	5

ANNUAL SUSTAINABILITY STATEMENTS *continued*

Sustainability value add statements for 2015 *continued*

1. Retrenchments took place in Afghanistan, Cameroon, Ghana, Guinea-Bissau, Kenya, Liberia, the Management Company (MANCO) in South Africa and Dubai, Nigeria, South Africa, South Sudan, Swaziland and Yemen.
2. Unionisation statistics are only available for MTN South Africa. 16% of employees are members of a trade union (this comprises 5,2% of employees of the Group).
3. Reasons for injuries included involvement in car accidents, falling in offices due uneven/raised tiles and floors, and an instance of employee assault by a customer.
4. MTN South Africa implemented a new system for direct routing of customer-related fraud tip-offs to appropriate departments. This reduced the number of tip-offs logged by the Group's fraud line.
5. We changed the basis of reporting savings data from cumulative results for all projects historically implemented (projects over time) to savings from projects implemented in the reporting year only (new projects for period under review). This will provide our stakeholders with a more useful view of the impact of MTN's efforts for comparison on a year-on-year basis.
6. For 2013 and 2014, e-waste tonnage was only reported for MTN South Africa. In 2015, e-waste tonnage reported includes pilot projects undertaken in Benin and Ivory Coast.
7. Group totals are not available for 2015. This is the total for savings by MTN Afghanistan, MTN Cyprus and MTN Kenya only.
8. Group totals are not available for 2015. This is the total savings by MTN Afghanistan and MTN Cyprus only.
9. The reduction in the number of employee volunteers was due to the fact that MTN Syria and MTN Yemen could not initiate volunteering programmes due to the political/safety situation in these countries. In South Africa the impact of employees undertaking collective bargaining at the time that the volunteering programme was being conducted resulted in fewer employees participating in the programme than has been the case in previous years.
10. The reduction in employment equity scores are due to the effects of the retrenchment process undertaken in MTN SA in 2015 (which resulted in the loss of two black managers). One female general manager was also moved from MTN South Africa to MTN Nigeria, impacting the score for MTN South Africa.
11. MTN South Africa's financial targets in developing skills could not be met due to the impact of employee retrenchments.

* Please see the independent assurance report to the directors of MTN Group Limited on pages 118 and 119 of the Group's Limited Integrated Report of 2015.

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN Global Reporting Initiative (GRI) 4 report for 2015

We prepare our report in accordance with Global Reporting Initiative (GRI) G4 guidelines, selecting core indicators material to our business.

In reviewing this report, the following sources must be referenced in order to comprehensively assess our response:

- MTN Group integrated report 2015 (IR) I R
- MTN Group sustainability report 2015 (SR) S R
- MTN Group Carbon Disclosure Project report 2015 (CDP) CDP
- MTN Group Global Compact Communication of Progress report 2015 (UNGC) G C
- www.mtn.com

Index	Description	Information (document or web link)	Page(s)
STRATEGY AND ANALYSIS			
G4-1	CEO statement	■ IR: A word from our executive chairman ■ SR: MTN's Group executive chairman's message	■ 4 ■ 3
G4-2	Impacts, risks and opportunities on stakeholders and financial performance	■ IR: Our top risks and what we are doing about them	■ 24
ORGANISATIONAL PROFILE			
G4-3	Name of reporting organisation	■ MTN Group Limited	
G4-4	Primary brands, products and services	■ www.mtn.com ■ www.mtnbusiness.com	
G4-5	Location of headquarters operating structure	■ 216 – 14th Avenue, Fairland, 2195, South Africa	
G4-6	Geographic scope/map of operations	■ www.mtn.com (our growing footprint)	
G4-7	Nature of ownership and legal form	■ IR: Where we operate	■ 2
G4-8	Markets served, sectors served and profile of customers/beneficiaries, profile of customer base	■ IR: Where we operate ■ IR: Consumer services ■ IR: Enterprise Business Services	■ 2 ■ 27 ■ 97
G4-9	Scale of the reporting organisation including number of employees and operations	■ IR: About this report ■ SR: Sustainability value added statement ■ SR: About this report	■ Pre-page 1 ■ 24 ■ 46
G4-10	Number of employees by employment contract and gender	■ SR: Sustainability value added statement	■ 46
G4-11	Percentage of employees covered by collective bargaining agreements	■ SR: The workplace ■ SR: Sustainability value added statement	■ 22 ■ 46

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)

ORGANISATIONAL PROFILE continued

Index	Description	Information (document or web link)	Page(s)
G4-12	Describe the organisation's supply chain (types, number of and locations of suppliers including any sector-specific characteristics of the supply chain)	■ MTN has established a comprehensive policy and maintains a procedures manual that describes how suppliers are validated prior to and after engaging with MTN both at a Group and operating country level. A comprehensive pre-qualification process is followed for supplier registration while a comprehensive evaluation framework ensures that the right suppliers are selected. MTN utilises a sourcing tool that enables transparency and objectivity within the sourcing process. All suppliers within our supply chain are required to accept the same standards that we use to hold our employees accountable, including our Code of Conduct, Anti-Bribery and Corruption policy and declarations regarding conflicts of interest	
G4-13	Changes occurring within the reporting period regarding size, structure or ownership	■ We have reviewed our operating structure in order to strengthen the operational oversight, governance, strategy, regulatory compliance and leadership across our 22 country operations in Africa and the Middle East. MTN has been restructured into three regions: West and Central Africa (WECA), South and East Africa (SEA), and Middle East and North Africa (MENA), with vice presidents reporting to the executive chairman appointed for each region. The Group president and CEO resigned in November 2015, and the Group chairman is currently fulfilling the executive role until the CEO post is fulfilled ■ IR: Key changes to our operations	■ 10

COMMITMENTS TO EXTERNAL INITIATIVES

Index	Description	Information (document or web link)	Page(s)
G4-14	How the precautionary approach/principle is addressed	■ SR: Eco-responsibility – environmental management ■ www.mtn/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	■ 16
G4-15	External economic, environmental and social charters or principles subscribed to/endorsed	■ SR: About MTN sustainability	■ 45
G4-16	Memberships of associations and national or international advocacy organisations	■ National Business Initiative ■ Groupe Speciale Mobile Association (GSMA)	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

Index	Description	Information (document or web link)	Page(s)
G4-17	Organisational structure	■ IR: Where we operate	■ 2
G4-18	How report content and aspect boundaries are defined and how the organisation has implemented reporting principles	■ SR: Our approach to sustainability ■ IR: About this report	■ 45 ■ Pre-page 1
G4-19	List all material aspects identified in the process for defining report content	■ SR: About this report ■ IR: Our material issues	■ 46 ■ 11
G4-20	For each material aspect, report the aspect boundary within the organisation	■ SR: Our approach to sustainability	■ 45
G4-21	For each material aspect, report the aspect boundary outside of the organisation	■ SR: Our approach to sustainability	■ 45
G4-22	Effect of any restatements of information in previous reports and associated reasons	■ IR: Summary consolidated financial statements	■ 111
G4-23	Significant changes to report content/scope (material aspects) from previous reports	■ IR: Key changes to our operating structure ■ SR: Eco-responsibility – energy and climate (changing context) ■ SR: Sustainability value added statement (notes for energy and GHG savings)	■ 10 ■ 14 ■ 26

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	■ www.mtn.com/MTNGROUP/About/Pages/Stakeholders.aspx ■ SR: Our approach to sustainability	 ■ 45
G4-25	How are stakeholders identified?	■ www.mtn.com/MTNGROUP/About/Pages/Stakeholders.aspx ■ SR: Our approach to sustainability	 ■ 45
G4-26	Approaches to stakeholder engagement (who, how, and what outcomes)	■ www.mtn.com/MTNGROUP/About/Pages/Stakeholders.aspx ■ SR: Our approach to sustainability	 ■ 45
G4-27	Stakeholder concerns and how the organisation has responded. Report the stakeholder groups that raised each concern	■ www.mtn.com/MTNGROUP/About/Pages/Stakeholders.aspx ■ SR: Our approach to sustainability	 ■ 45
REPORT PROFILE			
G4-28	Reporting period	■ 1 January 2015 to 31 December 2015	
G4-29	Date of most recent report	■ 31 December 2014	
G4-30	Reporting cycle	■ Annual	
G4-31	Contact point	■ IR: About this report ■ SR: Our approach to sustainability	■ Pre-page 1 ■ 47
G4-32	"In accordance" option chosen, GRI content index chosen, external assurance report	■ In accordance – core ■ GRI context index – G4 ■ IR: Independent assurance report ■ SR: Sustainability value added statement	 ■ 117 ■ 24
G4-33	Policy and current practice on independent assurance, and whether the highest governance body is involved in seeking assurance for the sustainability report	■ IR: Independent assurance report ■ SR: About MTN sustainability	■ 117 ■ 45
GOVERNANCE			
G4-34	Governance structure including highest governance committees, and committees responsible for decision making on economic, environment, and social impacts	■ IR: How we are governed ■ SR: About MTN sustainability	■ 51 ■ 45
G4-35	Process for delegating authority for sustainability topics from the highest governance body to senior executives and other employees	■ SR: About MTN sustainability	■ 45
G4-36	Executive level position/s with responsibility for sustainability topics including reporting lines to highest governance body	■ SR: About MTN sustainability	■ 45
G4-37	Process for consultation between stakeholders and the highest governance body on sustainability topics	■ SR: About MTN sustainability	■ 45
G4-38	Composition of the highest governance body (board) and its committees – detailed	■ IR: How we are governed – board committees	■ 51

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
GOVERNANCE continued			
G4-39	Is chairman of highest governance body also an executive officer?	▪ IR: How we are governed	▪ 48
G4-40	Nomination and selection process for highest governance body and committees, including criteria such as diversity, independence, and expertise for nominations and selections	▪ IR: How we are governed	▪ 49
G4-41	Process followed by the board for managing conflicts of interest	▪ IR: How we are governed ▪ IR: Social and ethics committee report	▪ 49 ▪ 62
G4-42	Highest governance body's role in development, and approval of organisation's value statements, policies and strategies related to sustainability	▪ SR: About MTN sustainability	▪ 45
G4-43	Measures taken to develop and enhance board's knowledge of sustainability	▪ SR: About MTN sustainability	▪ 45
G4-44	Processes for evaluating board's sustainability performance and actions taken in response to evaluations	▪ SR: About MTN sustainability	▪ 45
G4-45	Board's oversight of sustainability	▪ IR: How we are governed ▪ SR: About MTN sustainability	▪ 49 ▪ 45
G4-46	Board's role in reviewing effectiveness of risk management processes	▪ IR: Summarised corporate governance report	▪ 54
G4-47	Report the frequency of the board's review of economic, environmental and social impacts, risks and opportunities	▪ IR: How we are governed – social and ethics report ▪ Reports are presented to the Group's social and ethics committee on a quarterly reporting cycle basis	▪ 62
G4-48	Highest committee or position that approves sustainability report and ensures all material aspects are covered	▪ SR: About MTN sustainability	▪ 45
G4-49	Process for communicating critical concerns to the board	▪ IR: How we are governed	▪ 51
G4-50	Nature and number of critical concerns communicated to board, and mechanisms used to resolve	▪ Not available	
G4-51	Report remuneration policies for highest governance body and senior executives, and describe the link between remuneration and leadership performance	▪ IR: Remuneration committee chairman's report	▪ 66
G4-52	Process for determining remuneration	▪ IR: Remuneration committee chairman's report	▪ 66
G4-53	How are stakeholders' views taken into account regarding remuneration	▪ In addition to internal remuneration policies, stakeholder views are taken into account to ensure both internal equity and external competitiveness. The decision on remuneration is based on MTN's internal policies which are approved by various actors to ensure objectivity and eliminate subjectivity	
G4-54	Ratio of total annual compensation for organisation's highest-paid individual in each country to median annual total compensation for all employees (excluding highest paid) in that country	▪ Not available	
G4-55	Ratio of percentage increase in annual total compensation for organisation's highest-paid individual in each country to median percentage increase for all employees (excluding highest paid) in that country	▪ Not available	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
ETHICS AND INTEGRITY			
G4-56	Organisation's values, principles, standards, norms of behaviour and codes of conduct/ethics	■ https://www.mtn.com/MTNGROUP/About/Pages/GovernanceManagementofEthics.aspx ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary/aspx – Group social and ethics statement – Anti-corruption – Conflicts of Interest – Human rights and ICT – Networks and environment	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	■ IR: Social and ethics committee report ■ https://www.mtn.com/MTNGROUP/About/Pages/GovernanceManagementofEthics.aspx	■ 62
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, escalations, and whistle-blowing	■ IR: Social and ethics committee report ■ IR: Risk management ■ https://www.mtn.com/MTNGROUP/About/Pages/GovernanceManagementofEthics.aspx	■ 62 ■ 61
CATEGORY: Economic **ASPECT:** Economic performance			
	Disclosure on management approach	■ www.mtn.com/Investors/FinancialReporting/Pages/IntegratedReports.aspx ■ www.mtn.com/Investors/FinancialReporting/Pages/AnnualResults.aspx ■ www.mtn.com/Investors/FinancialReporting/Pages/InterimResults.aspx ■ www.mtn.com/Investors/FinancialReporting/Pages/QuarterlyResults.aspx ■ www.mtn.com/Investors/MoreinInvestors/Pages/Presentations.aspx	
G4-EC1	Direct economic value generated and distributed (revenues, operating costs, wages, benefits, loans)	■ IR: Summarised consolidated financial statements ■ www.mtn.com/investors/financialreporting	■ 100
G4-EC2	Climate change-related financial implications and risks and opportunities	■ IR: MTN's value creation ■ SR: Eco-responsibility – energy and climate (risks, mitigation and opportunities) ■ https://www.mtn.com/Sustainability/Documents/MTN_Group_2014_CDP_Report.pdf ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn	■ 19
G4-EC3	Defined benefit plan obligations coverage	■ Not available	
G4-EC4	Financial assistance from government	■ In some countries, standard government rebates to encourage investment in national skills development and training is available to employers. In South Africa, for example, rebates at rates determined by the government are available on payments made in terms of the Skills Development Levies Act (where companies are registered with the South African Revenue Service, have a payroll above a government-determined threshold, and make payments of 1% of monthly payroll costs to the National Skills Development Levy)	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Economic **ASPECT:** Market presence			
	Disclosure on management approach	▪ IR: Where we operate	▪ 2
G4-EC5	Ratios of standard entry level wage compared to local minimum wage (by gender)	▪ Not available	
G4-EC6	Proportions of senior management hired from local communities	▪ We currently report on the percentage of expatriate employees, but do not indicate this by management level. See SR: sustainability value added statement	▪ 24
CATEGORY: Economic **ASPECT:** Indirect economic impacts			
	Disclosure on management approach	▪ IR: MTN's value creation ▪ SR: Sustainability value added statement ▪ https://www.mtn.com/SocialResponsibility/Pages/default.aspx	▪ 18 ▪ 24
G4-EC7	Extent and impact of development of significant infrastructure investments and services and whether they are commercial, in kind, or pro bono engagements	▪ https://www.mtn.com/Investors/Pages/Overview.aspx ▪ https://www.mtn.com/SocialResponsibility/Pages/default.aspx	
G4-EC8	Significant indirect economic impacts, including extent of impacts	▪ IR: MTN's value creation ▪ SR: Sustainability value added statement ▪ https://www.mtn.com/SocialResponsibility/Pages/default.aspx	▪ 18 ▪ 24
CATEGORY: Economic **ASPECT:** Procurement practices			
	Disclosure on management approach	▪ The Group sourcing committee is responsible for driving efficient procurement processes at Group and in the operations. While operations are encouraged to source products and services centrally to achieve desired savings, local procurement in support of economic development is an important feature for all operations	
G4-EC9	Policies, practices, and proportion of spending on locally based suppliers	▪ SR: Sustainability value add statement (black economic empowerment)	▪ 25
CATEGORY: Environmental **ASPECT:** Materials			
	Disclosure on management approach	▪ SR: Eco-responsibility – environmental management ▪ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	▪ 12
G4-EN2	Materials used: weight/volume	▪ SR: Eco-responsibility – environmental management ▪ SR: Sustainability value added statement	▪ 12 ▪ 25

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Energy			
	Disclosure on management approach	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	■ 13 ■ 25
G4-EN3	Energy consumption within the organisation	■ SR: Eco-responsibility – energy and climate ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn	■ 13
G4-EN4	Energy consumption outside of the organisation	■ SR: Eco-responsibility – energy and climate ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn	■ 13
G4-EN5	Energy intensity ratio	■ SR: Eco-responsibility – energy and climate ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn	■ 13
G4-EN6	Reduction of energy consumption (as a result of conservation and efficiency initiatives)	■ SR: Eco-responsibility – energy and climate ■ https://www.mtn.com/Sustainability/Ecoresponsibility/Pages/energymanagement.aspx ■ https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=mtn	■ 13
CATEGORY: Environmental **ASPECT:** Water			
	Disclosure on management approach	■ Due to the nature of MTN's business and the products and services offered, this indicator is not material. However, as part of the maintaining the ISO 14001 and LEED certifications for MTN South Africa, responsible water management and use is addressed. In 2015, MTN Cyprus also attained ISO 14001 certification. Other operations, while not ISO 14001 certified, maintain safety, health and environmental policies, and as part of business plans, all MTN countries of operation are reviewing environmental risks as a focus area in terms of the Group's principal risks. A number of MTN operations are currently implementing the Group Green Office Toolkit, for water-saving opportunities at offices and similar premises. See SR: Eco-responsibility – environmental management ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Biodiversity			
	Disclosure on management approach	■ SR: Eco-responsibility – environmental management ■ www.mtn.com/sustainability/MoreonSustainability/Pages/ DocumentsLibrary.aspx	■ 16
CATEGORY: Environmental **ASPECT:** Emissions			
	Disclosure on management approach	■ SR: Eco-responsibility – energy and climate ■ www.mtn.com/sustainability/MoreonSustainability/Pages/ DocumentsLibrary.aspx	■ 13
G4-EN15	Direct GHG emissions (Scope 1)	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	■ 13 ■ 25
G4-EN16	Energy indirect GHG emissions (Scope 2)	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	■ 13 ■ 25
G4-EN17	Other indirect GHG emissions (Scope 3)	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	■ 13 ■ 25
G4-EN18	GHG emissions intensity	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	■ 13 ■ 25
G4-EN19	Reduction of GHG emissions	■ SR: Eco-responsibility – energy and climate ■ SR: Sustainability value added statement ■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	■ 13 ■ 25
G4-EN20	Emissions of ozone depleting substances (ODS)	■ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)

CATEGORY: Environmental
ASPECT: Effluents and waste

Index	Description	Information (document or web link)	Page(s)
	Disclosure on management approach	■ Due to the nature of MTN's business and the products and services offered, this indicator is not material. However, as part of the maintaining the ISO 14001 and LEED certifications for MTN South Africa, responsible water management and use is addressed. In 2015, MTN Cyprus also attained ISO 14001 certification. Other operations, while not ISO 14001 certified, maintain safety, health and environmental policies, and as part of business plans, all MTN countries of operation are reviewing environmental risks as a focus area in terms of the Group's principal risks. A number of MTN operations are currently implementing the Group Green Office Toolkit, for water-saving opportunities at offices and similar premises. See SR: Eco-responsibility – environmental management. The Group has also addressed downstream recycling of its e-waste and that of its customers and the general public in South Africa, Benin and Côte d'Ivoire ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	
G4-EN23	Total weight of waste by type and disposal method	■ SR: Eco-responsibility – environmental management ■ SR: Sustainability value added statement	▪ 17 ▪ 25
G4-EN24	Total number and volume of significant spills	■ Not available	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	■ The most material waste subject to this convention is electronic and electrical waste (e-waste). In South Africa, e-waste is processed locally to the greatest possible extent, by MTN's e-waste handlers. MTN's fractions are ultimately mixed with e-waste from other companies and sources, and we are not aware of the weight of fractions shipped internationally. A short-term public awareness and e-waste collection campaign will be undertaken in 2015 by MTN Benin and Ericsson. Manufacturer-agnostic e-waste collected in Benin and Côte d'Ivoire in partnership with Ericsson is shipped from Benin and Côte d'Ivoire to South Africa, and is therefore subject to the Convention. For tonnage, see references below. ■ SR: Eco-responsibility – environmental management ■ SR: Sustainability value added statement	▪ 18 ▪ 25
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	■ Although not a material aspect for the Group, see SR: Eco-responsibility – environmental management ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	▪ 17

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Environmental **ASPECT:** Products and services			
	Disclosure on management approach	▪ The Global e-Sustainability Initiative has assessed that ICT-enabled solutions can help the world achieve carbon abatements in the region of 9,6GtCO$_2$e or 16,5% of global outputs by 2020. Although our solutions in this domain are relatively small, opportunities are growing rapidly, and include cloud computing for virtualisation and other efficiencies, and machine-to-machine products to address risks of water leakage, report on air quality composition for improvement efforts, and encouragement of energy-efficient driving by fleet drivers using our fleet management solution ▪ SR: Sustainable economies – transforming enterprises ▪ https://www.mtn.com/Sustainability/ MoreOnSustainability/Pages/CaseStudy	 ▪ 9
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	▪ SR: Sustainability value add statement	▪ 25
CATEGORY: Environmental **ASPECT:** Compliance			
	Describe the approach to managing and reporting on compliance (with environmental laws and regulations)	▪ The Group's legal and regulatory functions are responsible for oversight and reports on non-compliances and fines issued	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	▪ Not available	
CATEGORY: Environmental **ASPECT:** Transport			
	Disclosure on management approach	▪ Although transportation is not a source of significant environmental impact and is not deemed material, greenhouse gas emissions associated with air transport and vehicle hire are quantified ▪ SR: Eco-responsibility – energy and climate ▪ SR: Sustainability value add statement ▪ https://www.cdp.net/en-US/Pages/ CDPAdvancedSearchResults.aspx?k=mtn	 ▪ 13 ▪ 25
CATEGORY: Environmental **ASPECT:** Overall			
	Disclosure on management approach	▪ SR: Eco-responsibility – environmental management ▪ https://www.mtn.com/Sustainability/Documents/ Networks_and_Environment_2013.pdf ▪ https://www.mtn.com/Sustainability/ MoreonSustainability/Pages/DocumentsLibrary.aspx	▪ 12

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Employment			
	Disclosure on management approach	▪ Our employment practices are guided by the international and local labour laws that seek to protect the rights of both the employer and employee in the workplace. Detailed monthly reports on various aspects are submitted to the Group chief human resources and corporate affairs officer. Annual performance is presented in the Group's UN Global Compact Communication of Progress (UN GC COP) report	
G4-LA1	Number and rates of employee hires and turnover, by age group, gender, and region	▪ SR: Sustainability value added statement	▪ 24
G4-LA2	Benefits provided to full-time employees that are not provided to temporary/part-time employees, by significant locations of operations	▪ Not available	
G4-LA3	Return to work and retention rates after parental leave, by gender	▪ Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Labour/management relations			
	Describe the approach to management of labour relations and how this is reported on	▪ Retrenchments are a result of organisational restructuring. All organisational restructures follow a strict consultation with affected staff. During this process, employees have the opportunity to interrogate the changes and offer suggestions for management to apply their minds to. Should retrenchment still be necessary after thorough consultation, affected employees are informed in person, and the discussion is confirmed in the form of a letter to the employee	
G4-LA4	Report minimum notice periods regarding significant operational changes as well as whether these are specified in collective agreements	▪ Employees are notified as soon as a possible restructuring process within the organisation is considered. This follows a consultation process. Once an employee has been confirmed for retrenchment, he/she is given at least one month's notice. This notice period may even be longer than one month, as determined by the various labour laws (which always state the minimum notice period) applicable in the countries in which MTN operates	
CATEGORY: Social – labour practices and decent work **ASPECT:** Occupational health and safety			
	Describe the approach to managing and reporting on occupational health and safety within the organisation	▪ SR: Sustainable societies – the workplace	▪ 22
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	▪ SR: Sustainable societies – the workplace	▪ 22
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and gender	▪ SR: Sustainable societies – the workplace ▪ SR: Sustainability value added statement ▪ Occupational diseases are not a feature of our business, given the nature of our business, and the types of products and services offered ▪ Data on lost days is not available, but is deemed not material due to the low rate of workplace-related accidents/injuries	▪ 22 ▪ 24

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Training and education			
	Disclosure on management approach	▪ Employees are actively encouraged to continuously look for opportunities to improve their capabilities and skills through extensive training available digitally, face-to-face and from other sources supplied by MTN Academy, or from external accredited and reputable organisations. On a regular basis, MTN Academy compiles internal reports for management on the nature of training undertaken by employees, amount of time spent on each module, and pass-rates. Certain elements of training are mandatory for all employees. Directors also receive regular and informative updates and training on legislative, regulatory, and any other business-related changes throughout their tenure. They are also encouraged to discuss their development needs with the chairman, and are provided with training where necessary	
G4-LA9	Average hours of training per employee per year (by gender and employee category)	▪ SR: Sustainability value added statement	▪ 24
G4-LA10	Report on the type and scope of programmes implemented for employee skills management and lifelong learning	▪ As part of our training and development initiative we offer courses to our employees in the subjects of business acumen, commercial, leadership and behavioural, organisational development and technology. Based on 2015 results, 84% of the courses done were related to the technology category, followed by business acumen at 4,7%	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	▪ SR: Sustainability value added statement	▪ 24
CATEGORY: Social – labour practices and decent work **ASPECT:** Diversity and equal opportunity			
	Describe the approach to managing and reporting on diversity and equal opportunity	▪ We aim to ensure that our workforce, across our various operations, is representative of the communities in which we operate. This ensures a diverse workforce, and also represents gender diversity across sectors. While MTN's retirement age requirement is taken into account, opportunities are available to all age groups from 18 to 59. Competency-based interviews are conducted to remove any subjectivity in the selection process, ensuring that people are recruited for the skills they offer, and are thus given an equal opportunity. We comply with any local requirement stipulated by the national Department of Labour in relation to employment equity in the countries in which we operate	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age, and other indicators of diversity	▪ IR: Who is responsible ▪ SR: Sustainability value added statement	▪ 44 ▪ 24

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – labour practices and decent work **ASPECT:** Equal remuneration for men and women			
	Describe the approach to management of equal remuneration for women and men, and how this is reported on	■ MTN appoints staff based on fair procedures, guidelines and practices which are detailed in human resource policies. The remuneration determination for both women and men is subjected to the same procedures and processes which are affordability, skills, qualifications, experience and attitude	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operations	■ Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Supplier assessment for labour practices			
	Disclosure on management approach	■ Not available	
CATEGORY: Social – labour practices and decent work **ASPECT:** Labour practices grievance mechanisms			
	Disclosure on management approach	■ The Group has a defined Code of Conduct related to human resource management and practices. Entrenched in this is a detailed grievance procedure that ensures that employees enjoy the freedom to raise grievances, and ensures that these will be correctly mediated	
G4-LA16	Number of grievances about labour practices filed, addressed, resolved, through formal grievance mechanisms	■ Not available	
CATEGORY: Social – human rights **ASPECT:** Investment			
	Disclosure on management approach	■ SR: Sustainable societies – digital human rights ■ https://www.mtn.com/Sustainability/ MoreonSustainability/Pages/DocumentsLibrary.aspx	■ 20
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that have underwent human rights screening	■ Not available	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	■ Not available	
CATEGORY: Social – human rights **ASPECT:** Non-discrimination			
	Disclosure on management approach	■ Entrenched in the Group's Code of Conduct are noted transgressions that carry serious penalties for any person who offends another based on colour, race, creed, political association or injury to person or their dignity. This ensures that all employees are able to operate freely within the organisation, and focus on their primary roles (which is to provide the services contractually agreed to)	
G4-HR3	Number of incidents of discrimination and action taken	■ Not available	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Social – human rights **ASPECT:** Freedom of association and collective bargaining			
	Disclosure on management approach	■ Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council without fear of victimisation. Our Code of Conduct enables us to correctly manage situations where an employee may infringe on these rights ■ SR: The workplace	■ 22
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at risk, and details of the measures taken to support these rights	■ Employees are free to associate socially, politically, religiously or otherwise, as well as join any bargaining council without fear of victimisation. Our Code of Conduct enables us to correctly manage situations where an employee may infringe on these rights ■ SR: Sustainable societies – the workplace ■ Suppliers: Not available	■ 22
CATEGORY: Social – human rights **ASPECT:** Human rights grievance mechanisms			
	Disclosure of management approach	■ SR: Sustainable societies – digital human rights	■ 20
	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	■ Not available	
CATEGORY: Society **ASPECT:** Local communities			
	Disclosure on management approach	■ SR: Sustainable societies – digital human rights ■ https://www.mtn.com/Sustainability/Documents/Mobile_and_Health_2013.pdf ■ https://www.mtn.com/SocialResponsibility/Pages/default.aspx	■ 20
G4-SO1	Operations with significant actual and potential negative impacts on local communities	■ https://www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx ■ Mobiles and health: all operations engage directly, and through local regulatory authorities, with communities with respect to matters related to network installation ■ CSI: all MTN operations engage directly with local communities either through formal MTN Foundations, which are responsible for disbursing financial social investment initiatives in the areas of education, health, economic empowerment and national priorities, and/ or through 21 Days of Y'ello Care, the Group's annual staff volunteer programme in support of community upliftment	
CATEGORY: Society **ASPECT:** Anti-corruption			
	Disclosure on management approach	■ IR: How we are governed – risk management ■ IR: How we are governed – social and ethics statement ■ www.mtn.com/sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx ■ www.mtn.com/MTNGROUP/About/Pages/Ethics GovernanceManagement.aspx	■ 61 ■ 62
G4-SO3	Total number and percentage and of operations assessed for risks related to corruption and the significant risks identified	■ While the number and percentage of operations assessed is not available, please review the Group's risk management and social and ethics committee reports in the Integrated Report	■ 57
G4-SO4	Communication and training on anti-corruption policies and procedures	■ IR: Social and ethics committee report ■ https://www.mtn.com/MTNGROUP/About/Pages/GovernanceManagementofEthics.aspx ■ SR: Sustainable societies – introduction and performance against objectives	■ 63 ■ 19
G4-SO5	Confirmed incidents of corruption and actions taken	■ Not disclosed	

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)

CATEGORY: Society
ASPECT: Public policy

| | Disclosure on management approach | ■ https://www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx
■ Public policy engagement is undertaken through the following means:
– Via matters under consideration by the GSMA board
– Via the necessary regulatory agency either in formal public commentary invitation processes, or as required for possible emerging regulation or industry-specific matters such as carbon taxes, spectrum allocation, etc. (MTN operations may engage directly with the necessary regulatory agency, or collectively via national business or industry associations)
– With other national or international bodies or authorities such as the African Union, the National Business Initiative and industry associations | |
| G4-SO6 | Total value of political contributions by country and recipient/beneficiary | ■ No contributions made by the management company in 2015 | |

CATEGORY: Society
ASPECT: Anti-competitive behaviour

| | Disclosure on management approach | ■ As a company incorporated in South Africa, the Group is regulated by the Competition Commission of South Africa and the rules and regulations applicable to all companies listed on the JSE | |
| G4-SO7 | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes | ■ https://www.mtn.com/PressOffice/MTNIran/Pages/MTNIran.aspx | |

CATEGORY: Society
ASPECT: Compliance

| | Disclosure on management approach | ■ IR: Social and ethics committee report
■ https://www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx | ■ 62 |
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | ■ IR: A word from our executive chairman
■ https://www.mtn.com/Media/MTNNigeria/Pages/MTNNigeria.aspx
■ https://www.mtn.com/Media/Pages/pressreleasedetail.aspx?pid=316&country=South | ■ 4 |

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)

CATEGORY: Society
ASPECT: Grievance mechanisms for impacts on society

| | Disclosure on management approach | ■ One of the Group's key mechanisms of encouraging reports of unacceptable behaviours (or allegations of unacceptable behaviour) for investigation is the anonymous whistle-blower line for use by both employees and the public. The line is supported by telephonic and email communication channels, and is managed by Deloitte
■ https://www.mtn.com/MTNGROUP/About/Pages/GovernanceManagementofEthics.aspx | |

CATEGORY: Product responsibility
ASPECT: Customer health and safety

	Disclosure on management approach	■ www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	■ www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	
G4-PR2	Number of incidents of regulatory non-compliance concerning health and safety impacts of products and services during their lifecycle, by type of outcome	■ Not available	

CATEGORY: Product responsibility
ASPECT: Product and service labelling

| | Disclosure on management approach | ■ MTN operations maintain terms and conditions on service and legal content on the local websites in each of the countries in which we operate. These terms and conditions may also include any additional information useful to subscribers, such as activation agreements, transfer procedures, defective goods and technical fault reporting, and more, and are often also separately detailed for different types of value-add and internet services, phones and devices, etc. Terms and conditions of service for physical products such as mobile handsets and tablets may also be included in the product pack. Product and service labelling may also be subject to additional communication, disclosure or other requirements as set out by national consumer protection regulations in each of the countries where we operate. Customer complaint and feedback services are available through walk-in service and other centres, and via voice, email, social media and other digital channels | |

CATEGORY: Product responsibility
ASPECT: Product and service labelling

| G4-PR3 | Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements | ■ Please refer to the country website of each MTN operation for more information. The websites of our two largest operations (Nigeria and South Africa) are listed below for easy reference
– https://www.mtn.co.za/Pages/Website_legal.aspx?termsID=327
– http://www.mtnonline.com/sitemap | |
| G4-PR5 | Results of surveys measuring customer satisfaction | ■ IR: Non-financial data | ■ 117 |

ANNUAL SUSTAINABILITY STATEMENTS *continued*

UN GRI 4 report for 2015 *continued*

Index	Description	Information (document or web link)	Page(s)
CATEGORY: Product responsibility			
ASPECT: Marketing communications			
	Disclosure on management approach	■ In addition to complying with local laws, standards and codes of practice in each country where we operate, as a regulated organisation subject to oversight by national telecommunication regulatory authorities, we may be required to abide by specific additional requirements regarding marketing communications. For instance, in order for us to market voice or data products in order to grow our subscriber base, our quality of service may be subject to review by regulators before permission may be granted (in circumstances where quality of service may fall below pre-set standards or as agreed in regulatory licences	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotions, and sponsorship, by type of outcome	■ Not available	
CATEGORY: Product responsibility			
ASPECT: Customer privacy			
	Describe the approach to management and reporting of customer privacy	■ SR: Sustainable Societies – digital human rights ■ www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx	■ 20
G4-PR8	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data	■ Not available	
CATEGORY: Product responsibility			
ASPECT: Compliance			
	Disclosure on management approach	■ https://www.mtn.com/Sustainability/Documents/Group_Social_and_Ethics_Statement_2013.pdf	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	■ www.mtn.com/Sustainability/MoreonSustainability/Pages/DocumentsLibrary.aspx ■ IR: A word from our executive chairman ■ www.mtn.com/Media/MTNNigeria/Pages/MTNNigeria.aspx	■ 4

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OUR APPROACH TO SUSTAINABILITY
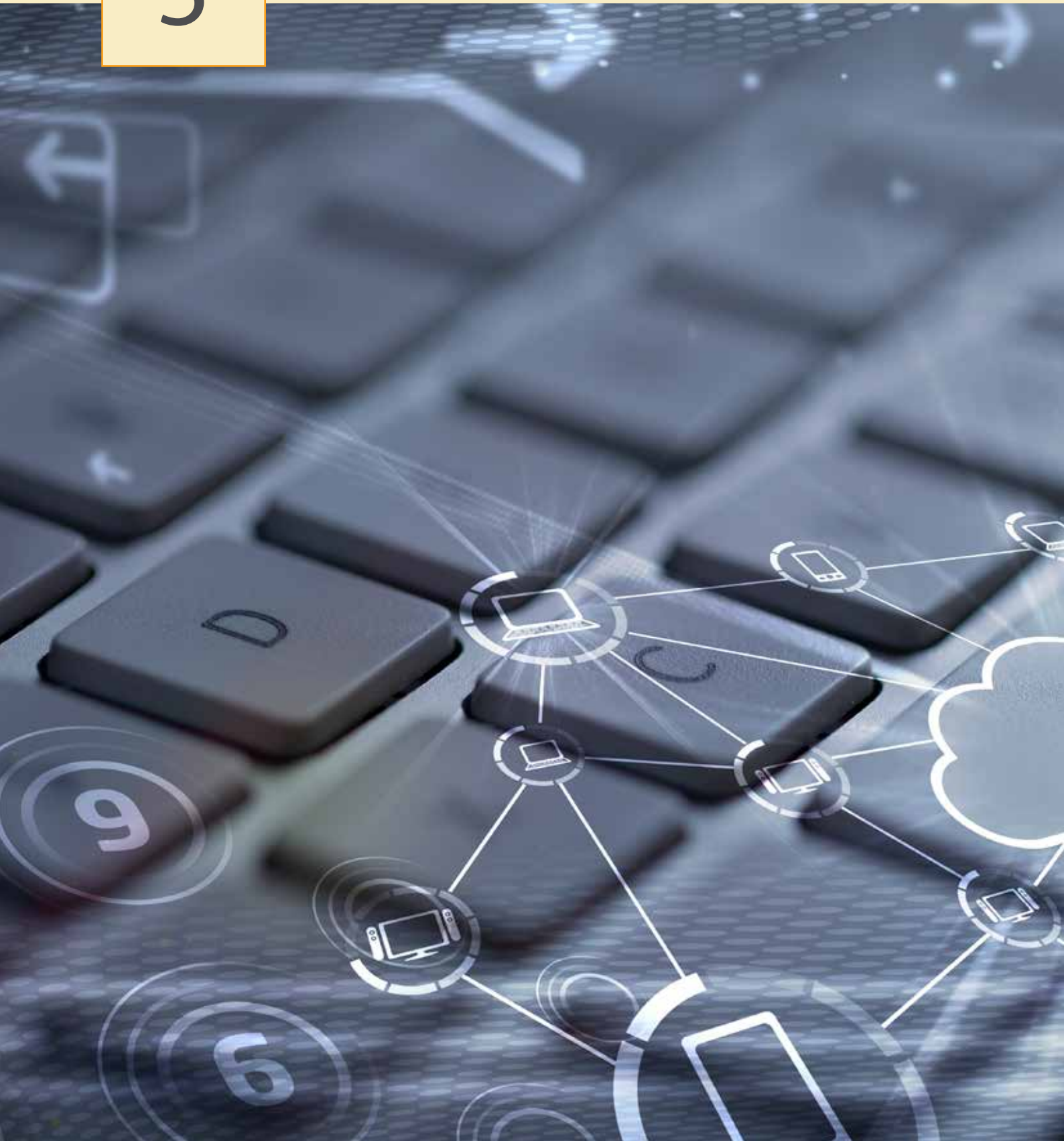
OUR APPROACH TO SUSTAINABILITY

About MTN sustainability

Vision and focus areas

For MTN, sustainability is about protecting and creating economic value for our Company and our stakeholders through responsible environmental and social core business practices. To achieve this vision, we structure our implementation efforts using a materiality-based approach (see "determining material issues"). Our material issues are classified in terms of three focus areas: creating sustainable economic value through digital inclusion and enterprise services addressing social and environmental imperatives, ensuring we take responsibility for reducing our environmental impacts through our eco-responsibility focus, and contributing to sustainable societies through addressing matters of ethics, anti-corruption, digital human rights and responsible labour practices.

Governance

The MTN Group board dedicates standing agenda attention to sustainability considerations, risks, opportunities, stakeholder relations, innovation and creation of stakeholder value within the business' operating context. The board has delegated responsibility for the Group's environmental, social and economic development performance to the Group social and ethics committee, and this responsibility is formally incorporated in the committee's terms of reference. The Group sustainability manager reports to the executive for Group corporate affairs, who reports to the Group human resources and corporate affairs officer.

Quarterly committee reports ensure the MTN Group chief human resources and corporate affairs officer accounts for the business' sustainability performance. This is a fundamental component to ensuring sustainability requirements are driven by and within core business functions and integrated within planning and management cycles.

Sustainability standards and reporting

We reference the following sustainability standards:
- King Code of Governance (King III). G R
- JSE Social Responsibility Index (JSE SRI).
- United Nations Global Reporting Initiative (GRI 4). GRI
- Carbon Disclosure Project. CDP
- United Nations Global Compact. G C
- International Integrated Reporting Council (IIRC). Six capitals.
- International Labour Organisation.
- UN Protect, Respect and Remedy Framework for Business and Human Rights (Ruggie Principles).

Materiality

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

To determine the issues most material to MTN's sustainability each year, we take the following sources into account:
- Feedback from internal and external stakeholders that review the annual sustainability report.
- Engagement with external stakeholders via letters or emails to sustainability@mtn.co.za, investor.relations@mtn.co.za, foundations@mtn.co.za and mtngroup.pressoffice@mtn.co.za and to direct email addresses.
- Information gained through engagements with regulatory authorities, media organisations, civil society and community-based organisations, our customers, and general members of the public.
- Feedback from and engagement with the JSE SRI, the CDP, and MTN's investors, shareholders and research organisations that consult us or assess our responsible business performance.
- Information from third-party questionnaires and assessments of our publicly reported performance by university organisations and other third parties not commissioned by MTN.
- Our own internal review and research processes including industry, peer and global developments, and our risk and audit management processes.
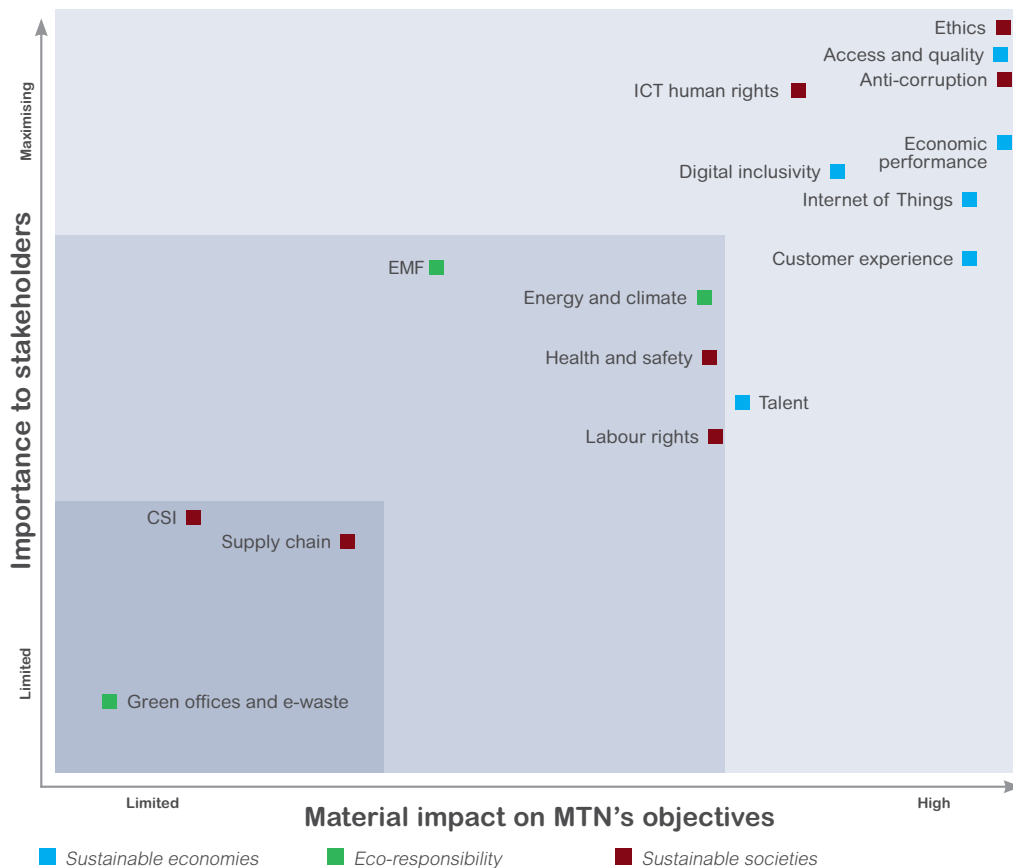
Issues identified through this process are weighted during an internal materiality review. These issues are reviewed by the executive, and the Group social and ethics committees. We undertake this review periodically to ensure that we are responsive and can adapt to changing operating conditions.

OUR APPROACH TO SUSTAINABILITY *continued*

About this report

Material issues for 2015

Having considered all of the above, our material sustainability issues of focus for 2015 are set out below.

Importance to stakeholders (Maximising / Limited)

- Ethics
- Access and quality
- Anti-corruption
- ICT human rights
- Economic performance
- Digital inclusivity
- Internet of Things
- Customer experience
- EMF
- Energy and climate
- Health and safety
- Talent
- Labour rights
- CSI
- Supply chain
- Green offices and e-waste

Material impact on MTN's objectives (Limited / High)

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

Issue	Where to find information
Ethics	I R SR GRI GC ⊕
Access and quality	I R GRI
Anti-corruption	I R SR GRI GC
ICT human rights	I R SR GRI GC
Economic performance	I R SR TAX
Digital inclusivity	SR GRI ⊕
Internet of Things	I R SR GRI www.mtnbusiness.com
Customer experience	I R GRI

Issue	Where to find information
Talent	GRI ⊕
EMF	SR GRI
Energy and climate	I R SR CDP GRI GC
Health and safety	SR GRI
Labour rights	SR GRI GC
CSI	I R GRI ⊕
Supply chain	GRI
Green offices and e-waste	SR GRI GC

OUR APPROACH TO SUSTAINABILITY *continued*

About this report *continued*

Scope, boundaries and integration

While we have integrated reporting on our environmental, social and socio-economic material risks, opportunities, and our performance as appropriate in the MTN Group Limited integrated report (31 December 2015), located on our website, we recognise the need for more detailed reporting on some of these issues to a broader set of stakeholders. This report provides the detail below.

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

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

The following scope exclusions are noted:
- For the MTN Group sustainability report for 2015, Mascom Botswana has been excluded on the basis of indirect ownership holding.
- For Carbon Disclosure Project report results and activities summarised in the eco-responsibility section, exclusions are as follows:
  – Mascom Botswana, MTN Yemen and MTN Syria (excluded due to energy and greenhouse gas data collection challenges associated with network management in the context of the broader macro-political situation).
  – MTN Group head office facilities in UAE, Dubai.

Exchange rate
All financial expenditures are reported in South African rand (ZAR), using the average exchange rate across January – December 2015 of ZAR12,74:US$1.

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

Data collection approach
Our reports are compiled using information sourced from a variety of internal reporting, data management and storage systems. Oracle Human Resources Information Systems, Hyperion and network management systems and risk and other committee reports, and the results of annual surveys are some of our key sources of our data.

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

Where to find more information

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

I R *Integrated report*

OUR APPROACH TO SUSTAINABILITY *continued*

Glossary

Term	Definition
3G	Third-generation internet connection
4G	Fourth-generation internet connection – see LTE
B-BBEE	Broad-based black economic empowerment, a South African national initiative to enable economic participation for black South Africans
BTS	Base transceiver station
CDM	The United Nations Clean Development Mechanism allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries
CDP	Carbon Disclosure Project
CO_2 and CO_2e	Carbon dioxide and carbon dioxide equivalent – see GHG
Convergence	Information and communication technology products and services combining voice and data
EMF	Electromagnetic fields or radio signals or waves, or energy that travels through space – see RF
GB	Gigabyte
GHG	Greenhouse gas; unless indicated otherwise, GHG emissions are made up of CO_2, methane (CH_4), nitrous oxide (N_2O), hydro fluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF6). The United Nations has identified these six gases as the greatest contributors to global warming – see CO_2 and CO_2e
GJ	Gigajoules (energy)
GMPLS	Global Multiprotocol Label Switching
GSMA	Global System for Mobile Communications Association
GPRS	General packet radio service (GPRS)
HSDPA	High-speed downlink packet access (HSDPA), part of the evolutionary path of 3G
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
kℓ	Kilolitres (diesel)
kWH	Kilowatt hour (electricity)
LEED	Leadership in energy and environmental design
LTE	Long-term evolution
MMS	Multimedia services
MPLS	Multiprotocol label switching
MTR	Mobile termination rates
MW	Megawatt (electricity)
RF	Radio frequency – see EMF
SME	Small and medium enterprise
SMS	Short messaging service
UNFCCC	United Nations Framework Convention on Climate Change
WHO	World Health Organisation

MTN