

COMMUNICATION ON PROGRESS TO THE UNITED NATIONS GLOBAL COMPACT

Practicing the 10 Principles – The MTN Way

Submission date: **March 5, 2008**



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Background Information

Company name	MTN Nigeria Communications Limited
Address	Golden Plaza, Falomo, Ikoyi, Lagos
Country	Nigeria
Telephone no.	+234 803 902 0001
Web address	www.mtnonline.net
Submission date	March 5, 2008
Membership date	
Number of employees	Over 2000 permanent and contract staff
Sector	Telecommunications
Contact name	Amina Oyagbola
Position	Corporate Services Executive

Nature of Business

Contributing to the Socio-Economic Development of Nigeria

Since our entry into the Nigerian market six years ago, MTN Nigeria has become an intrinsic part of Nigeria's social and economic life, acting as a catalyst for fiscal and human development. MTN has continuously demonstrated leadership in significant areas not limited to the growth and development of the telecommunications industry in Nigeria, even though it enjoys the distinction of being a major force behind a surging ICT revolution. With a subscriber base of approximately 16.5million as at December 31 2007, MTN enjoys the distinction of the largest network coverage by any telecommunications operator in Nigeria, with significant presence in all 36 states of the Federation including the Federal Capital Territory.

As at December 2007, MTN had over 3,200 base stations, and will install in excess of 1,400 additional sites in 2008, making it the most aggressive roll out since the company commenced operations in Nigeria in 2001.

MTN continues to demonstrate its belief in Nigeria by investing billions of dollars in fixed assets and infrastructure. Its impact is felt not only quantitatively but qualitatively, by investing heavily in cutting edge technology in Nigeria.

In 2006 MTN commissioned a 3500 kilometre fibre optics super highway – the largest private transmission facility in Africa, which connects hundreds of communities across Nigeria.

In 2008, MTN will lay an additional 1000km of fibre optic cables, as well as a 130km metropolitan network covering key commercial centres.

MTN was the first GSM operator to pay for a license auctioned by the Nigerian Communications Commission (NCC) in 2007 and was also the GSM company to announce capacity to launch 3.5G.

MTN Nigeria strives to exemplify its core values of Leadership, Integrity, Can Do, Innovation, Relationship.

Corporate Social Responsibility Programme

MTN is at the forefront of a win-win ideology of contributing to the sustenance of a vibrant and stable society as a prerequisite for sustaining its stellar business performance. MTN thrives on a robust corporate social responsibility agenda, which brings to the fore, the complete integration of this initiative into its corporate business strategy.

MTN's approach to CSR is three-pronged and covers:

- Corporate Governance
- Inherent value addition to society through our presence/products and services
- Corporate Social investments through the MTN Foundation

The MTN Foundation

The Foundation's vision is to positively impact lives in the communities where we operate and it intervenes in 3 key focal areas - Education, Health and Economic Empowerment. The Foundation is funded by 1% PAT from MTN Nigeria and deploys a unique brand of project-driven, wide impact, sustainable corporate social investment programmes which have won several accolades.

In two years, the MTN Foundation has made huge impact and has become a model for good corporate citizenship by a wide variety of stakeholders – Government, Regulators, the tax authorities, the beneficiaries of its numerous projects. It has been the recipient of numerous local and international awards.

A summary of the MTN Foundation's Impact is as follows:

- Foot prints in 28 states of Nigeria + Federal Capital Territory
- 18 projects ongoing in over 107 project sites
- Capacity building and engagement of local NGOs – In 2007, partner NGOs (23) set up the MTNF Partners Network.
- Reference point in Nigeria for project-driven, wide impact and sustainable CSI in line with international best practice
- Knowledge share on CSR – MTNF co-chair of organising committee and much sought after speaker/resource at several local and international CSR conferences/workshops
- Project focus areas aligned with Government's NEEDS and MDGS
- Benchmark for responsible corporate citizenship in Nigeria

Signature:.....

Name and position: Ahmad Farrouhk, CEO

PRINCIPLE 1 - Businesses should support and respect the protection of internationally proclaimed human rights.

Our commitment and policies

We are committed to respecting and abiding by internationally proclaimed human rights. We apply this in every aspect of our operations and dealings with our employees, and these are enshrined in the following policies -

[MTNN Code of Ethics](#), [MTNN Corporate Business Principles](#), [Guidelines in the Conduct of Government Affairs](#), [Supplier Code of Conduct](#), [Conditions of Service Manual](#)

Practicing our commitments:

- MTN is an emerging global brand which started operations in Africa and has rapidly expanded its operations to include the Middle East, with Organizational Units in 22 countries. In every country where we operate, we maintain a code of conduct which is strictly adhered to.
- The MTN Conditions of Service manual gives staff a frame of reference in this regard by communicating that all staff are valued & recognized as an important part of the organisation. The staff manual also presents various policies related to work-life balance and designed to cater for a wide range of personal & family circumstances. These cover a safe and conducive working environment; personal development & wellness programmes; housing and retirement. Induction programmes for new staff also ensures that staff are aware of their rights and obligations to the organisation. All these are in recognition of the premium that MTN places on protecting and promoting human rights.

Progress:

MTN's dealings with employees and third parties reveal our commitment to supporting fundamental human rights.

- We offer competitive remuneration packages consisting of housing allowances, leave allowances and a comprehensive medical scheme which extends to the employees' closest dependants. Additionally, there has been a significant increase of employee engagement initiatives to address staff needs including the annual **MTN Group Culture Audit** in which staff in every Organizational Unit, can anonymously give feedback on their views on a wide range of issues pertaining to the company.
- MTN introduced a unique, accredited learning scheme for MTN Nigeria employees to enhance their knowledge and skills. This scheme also provides opportunities to pursue learning programmes from reputable universities and professional bodies in the United Kingdom. So far, over 300 staff have benefited from this initiative.

PRINCIPLE 2 – Businesses should make sure they are not complicit in human rights abuses.

Our commitment and policies

We are committed to ensuring that the organization, its employees, its suppliers and its customers are not complicit in actions or policies that are contrary to established international human rights principles. This commitment is rigorously applied and our significant third party stakeholders are also bound by them - [Supplier Code of Conduct](#), [MTNF Policy Manual](#)

Practicing our commitments:

- MTN's Human Resources and Internal Audit departments ensure that all new and existing employees are aware of their rights within the organisation, and recognize the channels for reporting instances where these rights have been violated. Every member of staff is given an Employees handbook which clearly states the organisation's position on ethical and human rights issues.
- MTN Nigeria is wholly committed to being a caring & responsible corporate citizen by implementing sustainable social investment programmes through the MTN Foundation. These are targeted at the poor and vulnerable in society and have served to improve the quality of life, increase life expectancy and a lift out of abuse and neglect.

Progress:

- MTN aligned individual salaries to job levels in 2007, towards eradicating disparities within similar job levels. Also the organisation carries out yearly performance-based salary reviews and cost of living adjustments (COLA) in cognisance of the prevailing and difficult socio-economic environment.
- MTN maintains a vibrant SHE (Safety, health and Environment) unit to ensure that staff work in a safe and healthy environment at all times. Also, MTN's Security and Medical departments are on 24-hour standby to protect MTN employees and organisational assets.

PRINCIPLE 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Our commitment and policies

We are committed to ensuring that all MTN staff enjoy freedom of association and the right to collective bargaining, and that they have a 'voice' in addressing welfare, remuneration and conditions of service. They also have the right to appoint individuals to serve on the staff employee council - [Employee Council Constitution, MTNN Code of Ethics](#)

Practicing our commitments:

- The organization actively complies with national labour laws and government regulations, going beyond the accepted minimum/general standard.
- MTN encourages the personal participation of its employees in the political process and respects their right to absolute privacy with regard to personal political activity. The organisation will not attempt to influence any such activity provided there is no disruption to workplace activities and it does not contribute to industrial unrest

Progress:

- Over the past 3 years, MTN has consistently achieved a transparent voting process into the Employee Council and ensures that staff can bring issues of concern to the council for discussion with management
- The business provides management and financial support to MEMCOS (MTN Employees Multipurpose Cooperative Society). This society is rapidly becoming a vital tool for promoting staff welfare.
- MTN regularly participates in forums as well as offers financial support to groups which promote freedom of association and the right to collective bargaining towards continuing with their activities.

PRINCIPLE 4 – Businesses should support the elimination of all forms of forced and compulsory labour.

Our commitment and policies

Our practice of supporting the elimination of all forms of forced and compulsory labour is clearly spelt out in: [Conditions of Service Manual](#), [MTNN Code of Ethics](#)

Practicing our commitments:

- Full-time employees are expected to work normal business hours and overtime as required and temporary Staff are employed to work for a defined period (short-term basis). Both categories of staff give their consent to work arrangements through an employment contract which they sign of their own volition. Additionally, staff receive monetary and in-kind recognition for performing well at their contractual work obligations to the organisation.
- MTN's recruitment policy offers employees the opportunity to apply for internal vacancies in other departments following individual desire and appropriate qualifications

Progress:

- MTN supports a motivated workforce and is legally compliant with relevant legislation in this regard – Expectant women and nursing mothers are particularly catered for through a four-month maternity leave during which they receive a hundred percent of their pay. Upon delivery, work hours are shortened for a period of 3 hours to allow these staff adjust to the demands of a new baby. MTN remains one of the few companies in Nigeria that also offers Paternity leave
- MTN introduced the concept of job families to the career framework of the organisation. This promotes secondments and lateral movements across the organisation in line with individual skills and talent.
- The organisation launched a Group-wide recognition programme in 2004 which serves the purpose of rewarding/motivating staff. This is in addition to salary reviews and bonuses which all full-time employees enjoy.

PRINCIPLE 5 - Businesses should support the effective abolition of child labour.

Our commitment and policies

We are committed to rejecting all forms of child labour and taking definite steps to prevent its continued occurrence - [Conditions of Service Manual](#), [MTNF Policy Manual](#).

Practicing our commitments:

- MTN is committed to abolishing child labour through its strict adherence to age restrictions for its labour force as well as thorough investigation of the practices and premises of its suppliers.
- MTN works against child labour through the Corporate Social Investment projects that it executes through the MTN Foundation which spearheads its CSR strategy

Progress:

- The MTN Foundation launched the MTNF Children at Risk Empowerment Scheme (MTNF C.A.R.E.S) improves the social, educational, medical economic status of 250 HIV orphans and vulnerable children in 4 Nigerian states.
- MTN Foundation has developed and implemented various projects which empower disadvantaged women, so that they can adequately support their families, negating the inclination to place under-age children into the workforce:
- The MTN Foundation Rural Telephone Project (RTP) empowers women to start phone businesses; and ensures that they are financially capable of taking care of themselves and families.
- The MTN Foundation partners with a project known as the Lady Mechanic Initiative. This project empowers young girls/vulnerable women in the society by training them in auto management. This serves as a means of livelihood and rehabilitation for working age women.
- The MTN Foundation also provides learning opportunities to disadvantaged children, who may have become victims of child labour.
- The MTN Foundation's Musical Society of Nigeria Scholars Project grants 25 music scholarships per annum to musically gifted children at the prestigious Musical Society of Nigeria.
- MTN SchoolsConnect which has provided ICT facilities in 49 secondary schools in 12 states, impacting over 100,000 students and 5,000 teachers. By the end of 2008, the SchoolsConnect project will have extended to 61 schools in 15 states.

PRINCIPLE 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Our commitment and policies

MTN is compliant with prevailing legal requirements in this regard, and also promotes policies to enforce employment equity. These policies state clearly that employment in MTN is based on merit and not race, sex or religion - [Conditions of Service Manual, MTNN Code of Ethics](#)

Practicing our commitments:

- All MTNN employees are assured of the right to work in an environment which is free from any form of harassment or unlawful discrimination with respect to race, colour, sex, religion, place of origin, citizenship, creed, political persuasion, age, marital or family status or disability. All employees may continue to work irrespective of their illnesses or disabilities, provided that they are able to continue to perform their essential duties satisfactorily and do not present a safety or health hazard to themselves or others
- MTN is committed to ensuring equal opportunities for all of its employees. Employees are expected to report any cases of actual or suspected discrimination or harassment as set out in the Contravention section of the code of conduct manual.

Progress:

- The organisation has a Wellness Program which includes a comprehensive HIV/AIDS workplace policy, which provides information and support to staff and dependants living positively and preventing discrimination against them.
- MTN's Corporate Business Principles are binding on employees, shareholders, directors, suppliers, contractors and other stakeholders, to follow a consistent/correct approach to discrimination.
- The Employment Equity policy identifies, develops and rewards employees who demonstrate the following qualities – individual initiative, enterprise, hard work and loyalty. This underscores the principle that MTN creates the opportunity to excel for all and not a select few.
- MTN offers a Leadership Talent Management which is a strategic priority set by the MTN Group Board and is implemented in Nigeria as well as select Operating Units. The scheme enables the organization to identify the talents of its management staff, and to harness them accordingly.

PRINCIPLE 7 – Businesses should support a precautionary approach to environmental challenges.

Our commitment and policies

MTN is committed to taking every reasonable precaution to ensure a safe environment for its employees and the communities in which it operates - [MTNN Code of Ethics](#)

Practicing our commitments:

- The MTN Safety, Health & Environment (SHE) unit works closely with all employees through departmental representatives and partner units, to address safety issues and potential hazards in the workplace. Fire drills and fire alarm tests are carried out regularly.
- Employees and members of the public are encouraged to report any conditions, operations or activities which pose a potential health or safety risk.

Progress:

- Policies which address the environmental impact of its business activities such as the erection of masts and construction of base stations are at the developmental stage.
- MTN through the MTN Foundation has integrated environmental management into its corporate social responsibility efforts. These include activities like pollution control, waste management and infrastructural rehabilitation.

PRINCIPLE 8 – Businesses should undertake initiatives to promote greater environmental responsibility.

Our commitment and policies

MTN is committed to ensuring greater environmental responsibility across the country, and beginning with its employees – [Safety, Health and Environment Policy](#), [MTNN Code of Ethics](#), [MTN Foundation Projects](#)

Practicing our commitments:

- MTN through the MTN Foundation has earned a reputation for infrastructural rehabilitation projects particularly in education and beautification & cleaning of the environment.
- MTN has partnered with eminent international organisations to create greater awareness about the environment.

Progress:

- In 2007, MTN organized a 5-kilometre ‘Green walk’ in partnership with The British High Commission, USAID, American, French & German embassies and 7Up , in Abuja, the capital of Nigeria. This was aimed at promoting environmental issues and a culture of environmental responsibility in Nigeria.
- The MTN Foundation SchoolsConnect & UniversitiesConnect Projects (the Provision of ICT laboratories in public schools and federal universities).
- MTN Nigeria is the first winner of the MTN Group wide 21 Days of Y’ellocare, an annual voluntary staff project aimed at developing environmentally beneficial projects. Thus MTN employees participated in 78 projects during a 21 day period. The projects include the painting of public buildings, planting trees, cleaned the busiest markets in Ibadan one of the largest Nigerian towns, and traffic control in key commercial cities.
- The MTN Foundation administered Project C.L.E.A.N, pilot environmental health initiative designed to improve environmental health in urban areas. It includes a “waste to wealth” model using markets and bus terminal as target locations.
- The MTN Foundation also concluded a beautification project in one of the oldest educational institutions in Nigeria - Kings’ College’ Lagos. This was achieved with the help of renowned horticulturists who undertook the renovation of the college football pitch.

PRINCIPLE 9- Businesses should encourage the development and diffusion of environmentally friendly technologies.

Our commitment and policies

- See Principle 7 & 8

Practicing our commitments:

- See Principle 7 & 8

Progress:

- See Principle 7 & 8

PRINCIPLE 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitment and policies

MTN is wholly committed to working against corruption in all forms. Several policies and practices have been put in place to ensure this.

- [Conditions of Service Manual](#)
- [Anti Corruption Policies & Procedures](#)
- [Disciplinary Process](#)

Practicing our commitments:

- MTN rigorously promotes sound ethical business principles and practices amongst its employees through multiple internal communications media such as annual internal campaigns, company-wide inspirational emails, e-zines and wall posters.
- The Anti-fraud unit regularly communicates the organisation's zero-tolerance stance on fraud through monthly and seasonal emails and encourages responsible whistle blowing
- The Supplier Code of Conduct informs suppliers of the organisation's expectations in terms of ethical behaviour and moral conduct. Also, MTN ensures that a fair selection process is administered for suppliers through careful and transparent procurement and bidding processes. MTNN partners, suppliers and contractors are exposed to fair practices and processes and are provided with channels to voice grievances

Progress:

- MTN sponsored and participated in the first ever Communications Summit (2008) on the role of communications in the Nigerian anti-corruption campaign.
- Participation in the Women's Anti Corruption Forum, 2007
- MTN is a key member and a key sponsor of the Convention on Business Integrity (CBI – a civil society organisation promoting good corporate governance and integrity in Nigeria). The Corporate Services Executive, MTN, is the current Chairperson.
- MTN organized a successful anti-fraud road show in 2007 across all MTN locations in Nigeria towards promoting fraud awareness and compliance amongst its employees.
- MTN chaired the sub-committee which organized the first ever UNGC CSR Conference in Abuja, Lagos in 2007.

Making this CoP available to stakeholders

An electronic version of the MTN COP will be made available to these categories of stakeholders:

- ✓ All categories of MTN staff
- ✓ MTN/MTN Foundation Directors
- ✓ MTN Suppliers
- ✓ MTN Consultants and Agencies
- ✓ Media Partners,
- ✓ MTN Foundation Implementation Partners
- ✓ MTN Health Care Providers