



**PRACTICING THE 10 PRINCIPLES  
THE MTN NIGERIA WAY  
OCTOBER 2012**

Communication on Progress Report to the United Nations Global Compact

## BACKGROUND INFORMATION

Company Name	MTN Nigeria Communications Limited
Address	<i>Golden Plaza Building Falomo, Ikoyi, Lagos</i>  <b><i>Mailing Address:</i></b>  <i>P.M.B. 80147 Adeola Odeku Post Office Victoria Island Lagos</i>
Country	Nigeria
Telephone no	+234 803 902 0001
Web address	<a href="http://www.mtnonline.com">www.mtnonline.com</a>
Submission date	October 2012
Membership date	2006
Number of employees	10, 673 permanent and contract staff
Sector	Telecommunications
Contact name	Akinwale Goodluck
Position	Corporate Services Executive

## NATURE OF BUSINESS

### **We are the Biggest Mobile Operator in Nigeria and West Africa...**

MTN Nigeria continues to lead the mobile telecoms market in Nigeria with the provision of world-class telecoms services to millions of Nigerians.

With over 45 million subscribers, MTN Nigeria remains the largest subsidiary of the MTN Group - a multinational telecommunications group offering voice and data communications products to individuals and businesses. The MTN Group has its operations spread across 21 countries in Africa and the Middle East and has recorded 182.7 million subscribers. (Quoted subscriber figures are as at September 2012).

MTN Nigeria secured one of four GSM licenses to operate digital global GSM (Global System for Mobile technology) telephony by the Nigerian Communications Commission in February 2001. On May 16 of that same year, MTN Nigeria became the first GSM network to make a call in Nigeria and shortly afterwards, in August 2001, began full commercial operations.

MTN's mission to provide first class network quality, customer service and value to all subscribers across Nigeria, is guided by its core brand values of Leadership, Innovation, Integrity, Relationships, and a Can do attitude. For over 11 years now, MTN has continued to connect people with friends, family and opportunities, while enriching lives through a rich array of products and services.

MTN Nigeria is 75.8% owned by MTN International (MTNI) Limited, Mauritius; 18.72% held by Nigerian partners through special purpose vehicles; 2.78% owned by Mobile Telephone Networks NIC B.V and 2.70% owned by Shanduka Telecommunication (Mauritius) Limited .

### **Breaking New Grounds in Building Africa's Largest Network...**

Since commencing business operations in 2001, MTN Nigeria has consistently placed a high premium on first class network quality, which is at the centre of its key value proposition to its esteemed customers.

MTN's leadership position in the area of network coverage, expansion and state of the art infrastructure is evident. As a result of more than \$10 billion invested in fixed assets and facilities nationwide, MTN Nigeria currently has the most expansive network coverage, spread across 2,394 cities, towns and villages in all 36 states of the federation, including the Federal Capital Territory (FCT). MTN also provides network coverage to 87.96% of Nigeria's land mass, while over 85.49% of the population have access to its services.

MTN Nigeria continues to expand and improve the transmission capacity on its network. As at November 2011, the length of MTN Nigeria's transmission network stood at 11, 400km thus making it Africa's most extensive digital transmission infrastructure, and this has significantly contributed to enhancing call quality on MTNN's network.

In addition, in 2005, the company began the deployment of fibre optic cables across the country and now has the longest and the most modern fibre-optic cable ever laid in Africa, covering a total of 8,900 kilometres. Presently, the MTN Nigeria network is coordinated from one hundred and twenty nine (129) switches located in 10 cities spread across the country.

MTN Nigeria has also embarked on a comprehensive Network Modernization exercise which is part of the \$1.3 billion earmarked for network investment in 2012 alone. It involves upgrading and replacing key network components with newer versions to enhance network capacity and provide much improved quality of service.

### **Pursuing New Growth Opportunities....**

Indeed, MTN Nigeria has achieved such growth that it is now an international benchmark for what can be achieved in the telecommunications industry in an emerging economy. Now, the company is pursuing new growth opportunities in the data and ICT space, with the same commitment to making an impact in the lives of Nigerians.

With the advent of smart devices such as iPhones, Blackberry, Android phones and tablets in the telecoms space, there has been an explosion of mobile data traffic worldwide and the convergence of a number of other industries with telecoms such as media, broadcasting, entertainment, IT and banking, have also provided significant opportunities in data for mobile operators in Africa.

This is why MTN Nigeria continues to invest in its 3G, WiMax and Fibre networks to take advantage of these growing data/ICT opportunities. MTN has also developed data/ICT strategies towards consolidating market positioning and maximising growth.

### **...and Still Enriching Lives!**

MTN Nigeria's commitment to Corporate Social Responsibility has earned it a reputation as "The No .1 CSR telecoms company", and the first Nigerian mobile company to establish a Foundation. MTN continues to go the extra mile to put smiles on the faces of Nigerians through sustainable projects spanning the education, economic empowerment and health sectors, which have a high impact on the quality of life in communities across Nigeria.

In other ways, MTN is also committed to adding value through ensuring good corporate governance, leading to commendation from various arms of government. It is worthy of note that MTN's level of fiscal compliance (through various tax payments) has made a significant contribution to Nigeria's Gross Domestic Product.

Indeed, MTN remains committed to adding true value to society, through corporate governance, targeted, wide-impact corporate social investment initiatives and the development of innovative products and services to empower people and enrich lives.

*For more information about MTN Nigeria's products and services, please visit the MTN website: [www.mtnonline.com](http://www.mtnonline.com).*

## EXECUTIVE STATEMENT OF CONTINUED SUPPORT FOR THE GLOBAL COMPACT:



For the fifth consecutive year, MTN Nigeria is pleased to demonstrate its commitment to the principles of the United Nations Global Compact. We continue to live up to the principles of the UNGC in our everyday business operations and are constantly expanding the ways in which we adhere to all of the principles in each annual Communication on Progress.

We are proud to share the progress we made in 2011 in the areas of human rights, labour standards, the environment and anti-corruption. We witnessed several significant developments in our corporate responsibility and sustainability efforts and continue to inspire other companies and organizations to follow our example.

For over 11 years, MTN Nigeria has integrated responsible business practices with our core values of *Leadership, Innovation, Relationship, Integrity* and *Can-do*, to distinguish the quality of our operations and build a reputable global brand.

Across the various communities in which we operate, we have imbibed the UNGC's standards of accountability, transparency and collaboration in achieving our business objectives. This speaks to our firm belief in ethical best practices and integrity as key drivers for our continued success and our ability to create shared value for our shareholders, customers, communities and employees.

It is with this same conviction that I restate our commitment to the principles of the United Nations Global Compact while thanking the Board, Management and staff of MTN Nigeria for their individual and collective efforts toward the achievements that have been highlighted in this report.

*Brett Goschen*

**Chief Executive Officer, MTN Nigeria**

## THE TEN PRINCIPLES

The UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention against Corruption

The UNGC Principles are listed below:

### **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

### **Labour Standards**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally- friendly technologies.

### **Anti-Corruption**

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

Membership of the UNGC requires companies to issue a Communication on Progress (COP) report annually.

MTN Nigeria is committed to upholding these principles and the report you are about to read will outline our activities in support of these principles during the year 2011.

## Summary of Highlights in This Report

### Human Rights

**Investing in Employees:** Recognizing contributions and receiving feedback, evaluating the Employee Value Proposition

**Enriching our Communities:** Improving lives – Deploying medical interventions, and educational initiatives, supporting community cultural events,

### Labour Standards

**Enhancing the Workplace:** Partnering with Management and engendering good *People Management* – CEO Y'ello Manager Award; Employee Council activities

**Caring for the Vulnerable:** Protecting children and orphans - the MTN Foundation C.A.R.E.S project; The Great Hope Walk

### Environment

**Sustainability and Responsibility:** Fostering “greener” practices and processes – Introduction of additional e-based initiatives; sustaining carbon-reduction measures

### Anti-Corruption

**Protecting the Business:** Promoting best practice standards through enlightenment and accountability – Company-wide audits; fraud risk evaluation; anti- fraud awareness initiatives

**Protecting our Customers:** Introduction of the MTN Security Number



## SECTION 1: Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.

### **Strengthening our commitment through Policy**

For more than ten years, we have connected Nigerians to each other, upholding a basic human right to speak freely, to share ideas and be heard.

We are also committed to ensuring that our employees, , are not complicit in human rights abuses on the basis of physical disability, gender or race thereby promoting diversity and equality in and through the organisation.

Indeed we remain committed to upholding and enforcing codes of conduct that promote fundamental human rights as defined by the Universal Declaration of Human Rights.

This commitment is applied through various policies that govern our work and business relationships. They include:

Wellness Policy, MTNN Code of Ethics, MTNN Corporate Business Principles, Guidelines in the Conduct of Government Affairs, Supplier Code of Conduct, Conditions of Service Manual, Supplier Code of Conduct, MTNF Policy Manual.

### **Demonstrating our commitment through Action**

*UDHR Article 19: Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.*

### **Promoting open and honest feedback**

#### **Group Culture Audit 2011**

- As a Group, MTN is committed to creating a work environment that promotes free and open communication. We recognize the importance of honest feedback in enhancing organizational growth and success.

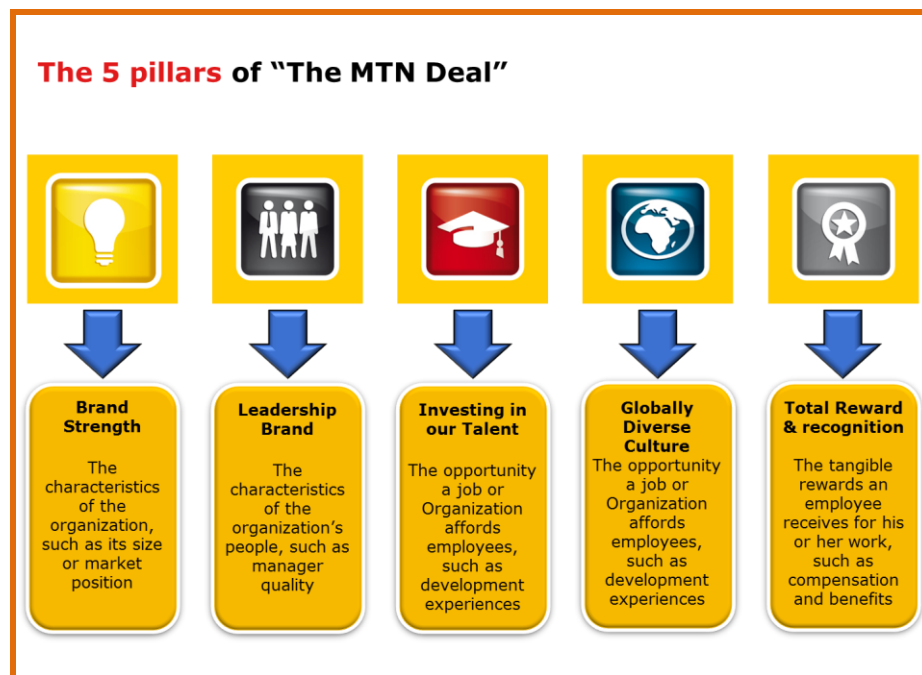
That is why, since 2005, the MTN Group has organised an internal Group Culture Audit (GCA) survey to enable all staff provide objective feedback about the workplace without fear of victimisation. Organised by an independent consultant, the results from this survey are treated confidentially towards ensuring total anonymity. **The 2011 GCA for MTN Nigeria recorded a staff participation rate of 95%.**

As is the usual practise, the general results of the survey and opinions expressed are collated and shared with all employees. Thereafter, action plans are developed to implement the laudable ideas and suggestion generated from the survey.

### ***Evaluating the MTN Employee Value Proposition***

- In 2010, MTN became the first company in Nigeria to introduce an *Employee Value Proposition*, also known as the *MTN Deal*. By July 2011, MTN partnered with the CLC (Corporate Leadership Council) Human Resources team to develop a survey to help the company learn more about its employees' experience of the MTN Employee Value Proposition.

Participants in the survey were randomly selected from among staff and to guarantee utmost confidentiality, survey responses were compiled by the CLC Human Resources, an external consultant, to ensure that individual's could express their opinions freely and that their responses were not shared with managers, the Human Resources team, or anyone else in MTN.



***The Guiding principles of the MTN Employee Value Proposition, the MTN Deal***

*UDHR Article 23(3): Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.*

## **Enhanced Employee Incentives**

### ***Annual gifts, bonuses and salary reviews***

- Management continued its favourable practise of recognising the efforts of employees who contributed to the company's success. The award of one-off household items, which has been well received by employees since inception in 2009, continued for the third year running and with significant increase in the value of items distributed.

### ***Ex-gratia bonus pay-out***

- Also, in addition to the annual bonus payments and salary increments, a special **ex-gratia bonus pay-out** was declared by management and paid to all employees. These payments are usually disbursed at set times and go a long way in enabling employees cater to their financial responsibilities.

*UDHR Article 25(1): Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*

## **Improving quality of life...**

- ***Addressing the plight of widows***

In October 2011, the MTN Foundation partnered with policy makers, experts and other advocates such as widow serving NGOs across Nigeria to address the plight of widows in the country. To help identify and prioritise the areas of need, the Foundation organised a workshop to properly examine and better understand the fundamental issues affecting widows in the country to enable meaningful intervention.

At the end of the workshop, a number of probable solutions to address the plight of widows were provided by the various groups and presented to the Foundation in a communiqué. These suggestions have been developed into soon-to-be-deployed practical interventions to improve the lives of the nation's widows.

- ***Upholding the right to shelter***

The MTN Foundation partners with Habitat for Humanity International to provide simple, decent and affordable houses to low income earners. The project has so far delivered 100 housing units. Each unit comprises 2 bedrooms, a living room, toilet/shower and kitchen.

In October 2011, the MTN Foundation commissioned an additional 17 units of these houses, using proceeds from the mortgage repayments of the initial 100 home owners.



***Tape cutting at the commissioning of the 17 additional units of houses by the Honourable Minister Lands, Housing and Urban Development, Mrs. Amal Pepple***



***One of the 17 new housing units***

- ***Providing medical assistance to the less privileged***

Every year, the MTN Foundation receives multiple requests for medical assistance which are treated under its Medical Intervention Scheme. The Scheme provides timely medical assistance to Nigerians with chronic but treatable ailments after careful assessment of the patient's cases. All medical, travel and logistics expenses are borne by the Foundation.

In 2011 alone, 25 individuals were successfully sponsored for various medical interventions in India and Dubai.

- ***Enhancing ability in disability***

Through the MTN Foundation, MTN Nigeria has sought to improve the circumstances of people living with disability with the distribution of disability aids and appliances in all 36 states of the Federation and the Federal Capital Territory.

Between 2009 and 2011, the MTN Foundation distributed over 15, 000 disability aids and appliances such as: wheelchairs, guide canes, hearing aids and braille machines to thousands of beneficiaries.

### ***Taking health care to our communities***

- Certain non-communicable diseases are on the rise in Nigeria and in 2011, the MTN Foundation in partnership with the Nigerian Association of Nephrology (NAN), executed a nationwide Community Health Screening Project, which focused on early detection of common non-communicable diseases in the rural areas.

*UDHR Article 25 (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.*

### ***Protecting Women and Children***

#### ***Increasing awareness about breast cancer***

- In October 2011, MTN staff participated in an awareness seminar on breast, cervical and gastro-intestinal (GIT) cancers, as part of activities to mark *Breast Cancer Awareness Month*. 69% of all breast cancer deaths occur in the developing world, and through the seminar, MTN demonstrated its commitment to educating staff about the importance of early detection and prevention of breast cancer and indeed all forms of cancer.

- In April 2011, the MTN Foundation through its Medical Support Project, established mammography centres across Nigeria to facilitate breast cancer treatment through early detection and build the capacity of public health sector workers. In 2011, 817 mammography screening sessions took place in various locations across Nigeria.

- ***Reducing maternal and child mortality***

Since 2009, the MTNF Partners Against Malaria and AIDS in the Community (MTNF-PAMAC) has contributed to reducing maternal and child mortality from malaria through malaria prophylaxis (preventive treatment) and distribution of Insect Treated Nets (ITNs). In 2011, 522 pregnant women received preventive malaria treatment on the Scheme. Another 493 pregnant women received ITNs, while 515 women with children under the age of five received ITNs on the Scheme.

- ***Bringing hope to the vulnerable***

MTN sponsored the *Great Hope Walk* 2011 in various locations across the country between November 19 and December 3. This event is held annually to raise awareness of the plight of orphans and vulnerable children.

*UDHR Article 26(1): Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.*

## ***Empowering Learning***

Working through the MTN Foundation, MTN Nigeria continues to improve educational standards in the country in the following ways:

- ***The MTNF Science & Technology Scholarship***

The MTN Foundation continues to provide financial assistance for Science and Technology students in the country through its annual *MTNF Science and Technology Scholarship Scheme*. In 2011, **1,015** awardees were enlisted for scholarship awards in the third phase of the Scheme. This number also included newly approved scholarship awards to blind students.

To date, the MTN Foundation has awarded scholarships in excess of N510 million to over 2500 deserving students in the nation's public Universities, Polytechnics and Colleges of Education since inception of the scheme in 2009.

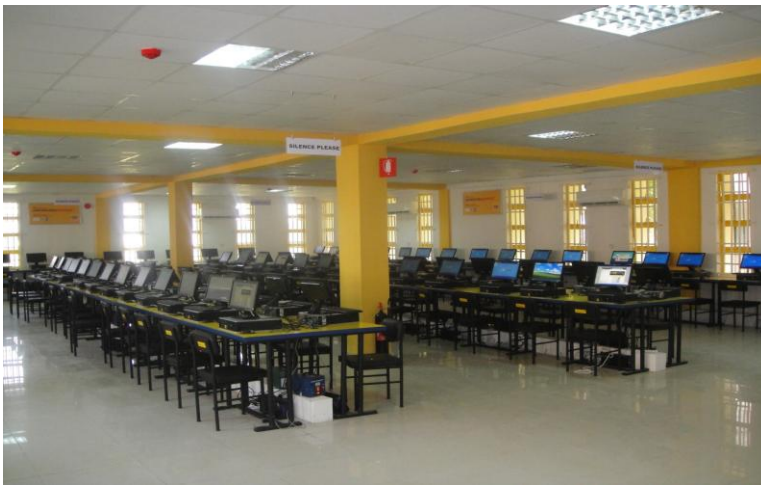


- ***The MTNF UniversitiesConnect Project***

In March 2011, the MTN Foundation completed the fourth phase of its *UniversitiesConnect* project. Like other *MTNF UniversitiesConnect* projects, this fourth phase delivered a digital library with:

- 128 networked computers, 3 servers, 2 high capacity printers and one 100 KVA generator
- VSAT equipment and internet connectivity bandwidth with 2 years subscription
- 2 years subscription to electronic resources (journals, books, etc.) through the *NetLibrary* network
- A conducive study environment through space renovation, provision of adequate lighting, furniture, and alternative power supply
- A 5 year maintenance contract to ensure that this conducive environment is maintained under a clear strategy for sustainability
- A 2 year insurance cover against theft/fire

Over **96,682** students have already benefitted from the facilities in the existing *MTNF UniversitiesConnect* libraries located in various locations across the country.



***The MTNF UniversitiesConnect Digital Library at the University of Benin, Edo State, Nigeria***

- ***Distribution of Learning Materials***

The MTN Foundation continues to provide learning materials to schools all over the country. The Foundation distributed a total of **33, 930 exercise books; 9, 470 school bags; 16, 840 rain coats; and 2, 615 pencil cases** to **148 primary and secondary schools** from **January to December 2011**.

- ***The MTNF Learning Facility Supply Project***

The *MTN Foundation Learning Facility Support Project* entered its second phase in 2011. This intervention is aimed at supporting Government's efforts in the education sector, through providing school furniture and thereby creating a conducive learning environment for students in public secondary schools across Nigeria.

In this second phase of the project, a total of **7400** students' desks and benches and **520 pairs of** teachers' tables and chairs were delivered to **36** public secondary schools in **22** states across the country. By the end of 2011, **22,800** students and **1,120** teachers from **60** schools across Nigeria had benefitted from this project.

- ***The MTNF Youth Skills Development Project***

In 2011, the MTN Foundation concluded plans to launch a Youth Skills Development Project to help improve the technical skills of Nigerian youths and promote technical education across the country. This is in line with Government's drive to build capacity among the youth through the inclusion of a mandatory entrepreneurial skills acquisition programme in the educational curriculum.

Following a rigorous screening and selection process, six existing government technical/vocational colleges across the country will be upgraded in the 3<sup>rd</sup> quarter of 2012.

*UDHR Article 27 (1): Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.*

***Strengthening the ties that bind...***

- ***Sponsoring cultural celebrations***

MTN identifies with Nigeria's rich ethnicity and cultural diversity. We continue to demonstrate our commitment to Nigeria's proud heritage and warm, dynamic people, evidenced by our sponsorship of major festivals and cultural celebrations annually. In 2011, MTN Nigeria sponsored 16 cultural festivals across the country including: the Badagry festival, Ikenne Ereke Day, Mabila cultural festival, Argungu International Fishing and Cultural festival, Leboku festival, the Ofala Nnewi amongst others.



- ***Unifying customers through a passion for football***

In recognition of the unifying power of football, MTN Nigeria established football hubs in the Northern, Southern and Eastern regions of the country in 2011. These hubs serve as international football differentiated viewing centres, designed to provide customers with a platform to share a national passion for football. Activities at the hubs include: live showing of international matches on football match days, Question & Answer sessions with renowned local football personalities among others.

## SECTION 2: Labour Standards

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should support the elimination of all forms of forced and compulsory labour.

**Principle 5:** Businesses should support the effective abolition of child labour.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### Strengthening our commitment through Policy

MTN Nigeria is committed to creating a conducive working environment for the over 10, 673 highly skilled men and women who contribute toward establishing the company as a successful global brand.

Through its Employee Value Proposition (the *MTN Deal*), MTN Nigeria remains committed to attracting and retaining the best talent, ensuring that recruitment and remuneration of employees is not dependent on gender, but on qualifications and performance in the workplace.

However, we continue to uphold gender-sensitive anti-discrimination policies, and promote a working environment that is zero-tolerant towards any action, attitude or policy that might in any way discriminate against our female employees.

In addition, MTNN supports the participation of its employees in structured processes which serve as a platform for negotiating work conditions and office regulations.

Finally, MTNN strongly rejects all forms of forced labour and child labour and upholds activities which prevent its occurrence. We ensure strict adherence to age restrictions for our labour force and also enforce this with all sub-contractors and service providers such that recruitment of under-aged personnel is strictly prohibited.

We work to uphold the aforementioned objectives via the following policies: the Conditions of Service Manual, Employee Council Constitution, the MTNN Code of Ethics, and the MTNF Policy Manual.

## **Demonstrating our commitment through Action**

### **Uplifting our employees**

- ***Partnering with Management***

The MTN Nigeria Employee Council recorded significant success in 2011, by engaging with employees and bringing to Management's attention, various employee suggestions and recommendations to further improve the work environment. Some of these recommendations have already been scheduled for implementation in 2012.

- ***The CEO Y'ello Manager Award***

Good people management plays a fundamental role in eliminating discrimination and upholding employee's rights, as well as ensuring mutually beneficial agreements are reached between Management and employees. Managers must work to promote healthy work relationships and deal with conflict in a constructive manner.

This is why, in December 2011, MTN Nigeria introduced the *CEO Y'ello Manager Award*, to recognise MTN Managers who role model and display best practice people management and leadership attributes in their daily interactions with employees, in line with the *MTN People Management Framework*.

- ***Opportunities for Personal Development***

Through the MTN *Accredited Learning Scheme* 86 employees successfully gained admission to study 6 different courses in various UK universities. MTNN has committed to fund their education with **376,485GBP**. The Accredited Learning Scheme is a Distance Learning programme organized annually in partnership with Research and Development International (RDI), to promote educational and professional development among MTN employees.

### **Caring for children at risk**

- We continued to work through the MTN Foundation to prevent the exploitation of orphans and vulnerable children under the MTNF CARES (**C**hildren at **R**isk **E**mpowerment **S**cheme) project. By offering integrated assistance to these children in the form of scholarships and educational support, medical care, nutritional and psychosocial support, we protect them from forced labour, child trafficking and other vices. A total of 600 children in six States of Nigeria are currently supported on the Scheme.
- In addition, over N37 Million Naira was spent in donations comprising of various household items, to 40 orphanages across Nigeria to cater to the children's basic needs.

## Giving small businesses a lift

- *The MTN Bizlift*, project **recorded another hugely successful year**. In 2010, beneficiaries on the scheme totalled 120, 150. However, **by 2011 the number of small scale retailers in the MTN BizLift scheme more than doubled, growing to over 240, 000**. *MTN BizLift* is designed to engage, empower and expand the businesses of small scale retailers whilst rewarding them for landmark achievements.

## SECTION 3: Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

### **Strengthening our commitment through Policy**

MTN Nigeria continues to demonstrate its commitment to making a positive difference to the environment within which we carry out our business.

For over 10 years, we have complied with various international environmental regulations and ensured the environmental safety of our employees, operations, locations, products/services and our communities, through strict adherence to various environmental and safety policies.

Indeed, MTN has maintained an impeccable record with regard to its environmental policies and in 2011 no penalties were levied to the company for violating environmental laws.

We continue to explore avenues to partner with relevant Government, regulatory and private sector stakeholders, to promote safer, environmentally-friendly practices among our employees, partners, suppliers and customers.

Section 5 of our MTNN Code of Ethics also covers our commitment to ensuring a safe environment for employees, whilst ensuring greater environmental responsibility across the country with regards to all our products and services.

We also adhere to a written environmental policy which is available on notice boards across all our offices, and also hosted on electronic media. The policy comprises a Safety, Health and Environmental (SHE) Policy and a waste disposal and management policy.

### **Demonstrating our commitment through Action**

#### ***Preserving the Environment***

- ***21 Days of Y'ello Care***

In keeping with the United Nation's declaration of 2011 as the *International Year of Forests*, MTN's annual staff volunteerism initiative, 21 Days of Y'ello Care, focused on "Making a Positive Difference to the Environment". **2,089 staff volunteered in 12 Projects, actively participated in 134 project activities and planted 3,701 trees in**

**21 days!** Every year, thousands of MTN Nigeria staff join their colleagues in other MTN operations to volunteer their time, resources and energy for 21 dedicated days to embark on various projects aimed at improving the quality of life in their respective communities.

*(A detailed report of all the projects is available on [www.yellocare.com](http://www.yellocare.com))*

- **ISO 14001 Certification**

In 2010, MTN Nigeria embarked on the implementation of the ISO14001 international standardisation and certification process for environmental management systems. By 2011, we completed a comprehensive needs assessment to identify the main areas of focus. In addition, we concluded the training of relevant stakeholders (auditors, employee champions etc.) to drive the standardisation process, developed the mandatory procedures manuals and revised the MTNN Environmental Policy ensuring alignment with ISO14001 requirements.

- In order to manage E-wastes, MTN signed a buy back clause in its suppliers contract to ensure decommissioning and recycling of network equipment by their manufacturers.

- ***Ensuring Environmental Due Diligence***

In line with our commitment to upholding environmental best practices as documented in the Nigerian Environmental Impact Assessment Act of 1992, we continued to carry out Environmental Auditing Report (EAR) studies and environmental monitoring of project/site roll out activities and BTS operations, to ensure that all environmental parameters are within regulatory limits.

## **Energy Conservation**

### ***Smart Power Solutions***

- The deployment of smart power solutions such as hybrid power systems in our BTS sites and infrastructure optimization through site sharing with other operators, has gone a long way in further reducing MTN's carbon footprint. In addition, under MTN's Rural Telephony Project (RTP), plans were concluded in 2011 to ensure that 80% of the sites under the project are powered by solar energy and heavy duty batteries.
- MTN Nigeria practices proactive preventive maintenance of its generators to ensure minimal emissions. Every generator is replaced after a cumulative running period of 10,000 hours, while oil and filters are replaced every 240 hours.

- ***Cleaning the Local Environment all Around Nigeria – The MTNF Project C.L.E.A.N***

Project **C.L.E.A.N** (*Cleaning the Local Environment all Around Nigeria*) is an initiative of the MTN Foundation designed to improve the level of environmental health and sanitation within the urban areas, while providing employment for Nigerians. The first phase of the project was commissioned in January 2011, with the handover of the first project C.L.E.A.N **waste recycling plant** in South-West Nigeria.

Built in partnership with the *Nigerian Network for Awareness & Action for Environmental Health (NINAAFEH)*, the plant comprises of a waste recycling unit (for plastic recycling and production of organic fertiliser) as well as public conveniences and safe water supply. A similar project will be completed in the South-Eastern part of the country by the end of 2012.

- ***Transportation***

In 2011, MTN introduced more buses and further increased bus routes for staff transportation to reduce the frequency of staff driving to the office, thereby reducing carbon emissions.

- ***Encouraging the use of Communication Technology***

MTN continues to encourage the use of communications technologies such as video conferencing, teleconferencing etc. to enable its employees communicate virtually where possible, instead of embarking on air or road travel. Plans are also underway to introduce *Microsoft Lync* profiles for MTN staff in 2012.

### ***Further Expansion of E-transactions***

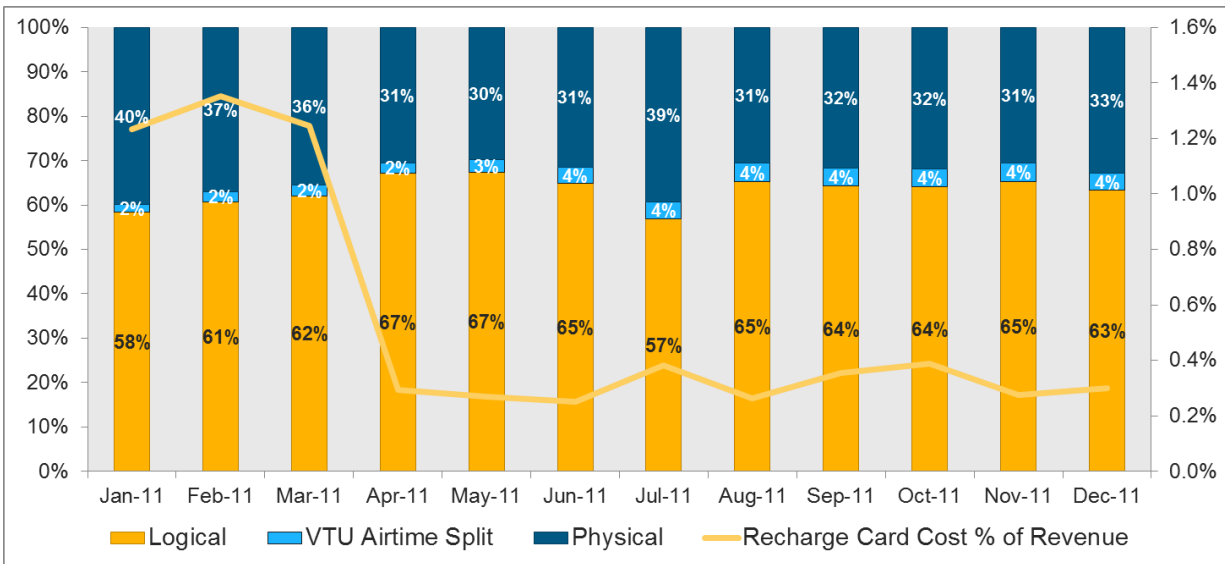
- ***Promoting the use of online self-service applications***

Internally, MTN continued to automate various internal processes to reduce paper usage. In September 2011, a new pay-roll self-service application was introduced which allows employees to electronically submit and update personal payroll information, view and print personal payslips and other pay related computations, as well as receive e-mail alerts on the status of their online applications and requests.

- ***Growing Electronic Voucher Distribution (EVD)***

- In 2009, MTN began to actively promote the spread and usage of electronic air time as a mode of recharge. By 2011, Electronic Voucher Distribution (EVD) (comprising of both logical and virtual top-up (VTU) airtime) contributed to 70% of total airtime sales.
- To further reduce paper usage, plans are also underway to promote electronic voucher distribution and virtual top-up as the default modes of airtime sales.

- In addition, by the end of 2011, virtual top-up recharge had contributed to driving down the cost of recharge card production in terms of percentage revenue, from 1.2% in January 2011 to 0.2% by December 2011.



**Graphic representation of virtual top-up contribution to total sales/recharge card cost % of revenue**



## SECTION 4: Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

### Strengthening our commitment through Policy

Guided by our core value of integrity, we take great care to ensure that all our employees, partners, and customers are aware of our commitment to promote ethical best practice across the business.

Integrity is at the very heart and soul of our corporate culture; one of MTN's 5 brand values, it builds our reputation, distinguishes our brand and has established us as Africa's biggest network for over 10 years.

For this reason, MTN practices a zero-tolerance policy against corruption in all forms, and several policies/practices have been put in place and disseminated, to ensure this: MTN anti-fraud policy, Conditions of Service Manual, MTNN Code of Ethics, Disciplinary Process, MTN Nigeria Gifts & Donations Policy.

### Demonstrating our commitment through Action

#### *Driving awareness on best-practices*

- Since the successful launch of the MTN Tips-Offs Anonymous whistle blower service in 2009, MTN has continued to monitor the various "whistle blowing" channels, taking action on fraud reports and liaising with relevant law enforcement agencies where necessary.
- We also continued to create internal awareness among employees about business fraud through regular communication on common examples of fraud. We keep such communication clear and concise as with the example below:

Tip-offs Anonymous provides you with an opportunity to report any unethical activity and dishonest behaviour **anonymously.** Anonymity affords you protection against victimisation and intimidation.

**Conflict of interest**

I must ensure that we are selected as the preferred supplier, and I am not going to excuse myself from the meeting because nobody knows i am conflicted. We need to win this tender.

I have faith that you will influence the committee to select us as the preferred supplier.

**Zero-rated call: 0803 123 0141**  
Email: [anonymous@tip-offs.net](mailto:anonymous@tip-offs.net) Website: [www.tip-offs.com](http://www.tip-offs.com) **Deloitte**

*The MTNN Tip-Offs Anonymous cartoon series*

## ***Ensuring compliance with due process***

- ***Evaluating fraud risks***

An evaluation of top fraud risks across the business and an in-depth risk analysis was conducted in 2011. Findings from the assessment provided useful feedback to the business on areas for improvement.

- ***Annual audit of business processes***

The business risk team invested nearly 5, 000 hours auditing various business processes, projects and operations. Findings from the audits have yielded recommendations on possible controls to minimize the risk of fraud incidents in several business areas.

- ***Encouraging “ethical conversations” amongst staff***

Following the success of the internal cartoon series ***Ethica***, which is designed to provide staff with information and understanding of the policies that guide ethical behavior among all key stakeholders, plans were concluded to develop an ethics portal/blog to foster online discussions among staff about the various policies and practices guiding ethical conduct in MTN. Plans are also underway to implement a *Code of Ethics Certification* for all staff. These initiatives will be deployed in 2012.

## ***Protecting our customers***

- ***The MTN Security Number***

MTN Nigeria concluded plans to introduce the **MTN Security Number** as part of efforts aimed at preventing, detecting and managing incidents of fraud impacting on MTN subscribers. The MTN Security Number is a unique 16-digit number designed to protect customer’s phone line from fraudulent activities by serving as a **unified authentication mechanism** across our various service centres, online self-service platforms and other customer touch points. The MTN Security Number will be generated and distributed to all customers in the first quarter of 2012.

## Making this C.O.P available to stakeholders

*An electronic version of the C.O.P will be made available via our Corporate intranet (for employees) and also on our corporate website ([www.mtnonline.com](http://www.mtnonline.com)) to be available to the following stakeholders:*

- ✓ *All categories of staff*
- ✓ *MTNN/MTNF Directors*
- ✓ *MTN Suppliers*
- ✓ *MTN Consultants and agencies*
- ✓ *Media partners*
- ✓ *MTNF Implementation partners*
- ✓ *MTN Health providers*

## Appendix

- Table Showing List of MTN-Sponsored Festivals in 2011

## APPENDIX 1: List of MTNN Sponsored Festivals in 2011

Region	Festival	Date
<b>Lagos</b>	Badagry Festival	July 31 - August 6, 2011
	Ikenne Ereke Day	October 25 – November 5, 2011
	Lisabi Festival	February 28 – March 6, 2011
	Omu-Eleni Festival	April 18-23, 2011
<b>North - East</b>	Mabila Cultural Festival	September 24-29, 2011
<b>North-Central</b>	Ovia Osese	April 2011
	Nwoyo Fishing and Cultural Festival	March/ April 2011
<b>North - West</b>	Zaria Durbar	August 30-31, 2011
	Zamfara Kalankuwa	November 2011
	Argungu International Fishing Festival and Cultural Festival	April 2011
<b>South - South</b>	Leboku Festival	August 2011
	Igwaji Aggah Egbema	August – September, 2011
	Ikeji Arochukwu	September 2011
<b>South - East</b>	Iguaro Ndigbo	February 2011
	Iriji Mbaise	August 15, 2011
	Ofala Nnewi	December 2011