



PRACTICING THE 10 PRINCIPLES

The MTN Nigeria Way

**Communication on Progress Report to the
United Nations Global Compact**



PRACTICING THE 10 PRINCIPLES:
The MTN Nigeria Way

BACKGROUND INFORMATION

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| Company Name | MTN Nigeria Communications Limited |
| Address | <i>Golden Plaza Building Falomo, Ikoyi, Lagos</i> <i>Mailing Address:</i> <i>P.M.B. 80147 Adeola Odeku Post Office Victoria Island Lagos</i> |
| Country | Nigeria |
| Telephone no | +234 803 902 0001 |
| Web address | www.mtnonline.com |
| Submission date | October 2013 |
| Membership date | 2006 |
| Number of employees | 5,680 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 provides cellular network access and ICT solutions to millions of Nigerians, connecting whole communities with each other and with the rest of the world. MTNN has led the growth in the voice market since 2001 and is now pursuing new growth opportunities in the data and ICT space. This lead position is evident in a differentiated and attractive array of product and service offerings as well as a growing bouquet of ICT products.

With over 54 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 22 countries in Africa and the Middle East and has recorded over 200 million subscribers (as at August 2013).

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 commitment to providing first class network quality, customer service and value to all subscribers across Nigeria, is guided by core brand values of Leadership, Innovation, Integrity, Relationships, and a Can do attitude. For over 12 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 is 75.81% owned by MTN International (Mauritius) Limited (MTNI); 18.7% held by Nigerian shareholders through special purpose vehicles; 2.78% owned by Mobile Telephone Networks NIC B.V and 2.71% 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 our key value proposition to esteemed customers.

MTN's leadership position in the area of network coverage, expansion and state of the art infrastructure is evident with more than \$12 billion invested to date in fixed assets and facilities nationwide, and an additional \$3 billion investment to be ploughed into the network over the next two years (2013-2015). As a result of these massive investments, MTN Nigeria now has the most expansive network

coverage, spread across **3,106** cities, towns and villages in all 36 states of the federation, including the Federal Capital Territory (FCT). MTN also provides network coverage to **89.24%** of Nigeria's land mass, while over **86.46%** of the population have access to MTN services.

MTN Nigeria continues to expand and improve the transmission capacity on its network. Today, the length of MTN Nigeria's transmission network stands at 11,500km thus making it Africa's most extensive digital transmission infrastructure, and this has significantly contributed to enhancing call quality on MTN'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 12 cities spread across the country.

In 2012, MTN Nigeria embarked on a comprehensive Network Modernization exercise which gulped a significant proportion of the \$1.3 billion earmarked for network investment during the year. The exercise involved 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 we are now an international benchmark for what can be achieved in the telecommunications industry in an emerging economy. As the company pursues new growth opportunities in the data and ICT space, it is with the same commitment to making an impact on the lives of Nigerians.

With the rapid penetration rate of smart devices, phones and tablets, in the telecoms space, there has been an explosion of mobile data traffic worldwide. Equally as important is the convergence of a number of other industries with telecoms such as media, broadcasting, entertainment, IT and banking, which have provided significant opportunities in data for mobile operators in Africa.

MTN Nigeria, thus understandably, continues to invest in its 3G, WiMax and Fibre networks to take advantage of these growing data/ICT opportunities. Indeed, through the MTN Business, MTN is also in the forefront of providing reliable and dependable business communication solutions to the Nigeria enterprise market. Offering a suite of Voice, Internet, Data and Branch Connectivity Solutions, MTN Business currently serves a teeming number of corporate and public sector organisations across several industries. With continuous extensive investment in infrastructure and a focus on innovation, MTN Business is able to deploy new and flexible services and solutions tailor-made to address customers' peculiar business communication needs. Ultimately, the MTN Business team will continue to work with various partners to design and deploy solutions that are both affordable and

innovative meeting the need of the Nigerian small, medium and large business enterprises.

...and Still Enriching Lives!

MTN Nigeria's commitment to Corporate Social Responsibility has earned us 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.

To date, the Foundation has invested over 7 billion naira in executing various projects in 338 locations across the 36 states of Nigeria and the FCT.

In addition, 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 of 5% to Nigeria's Gross Domestic Product (GDP).

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. As the company progresses with its operations, its initiatives and projects; products and services, will continue to demonstrate the company's vision ***to lead the delivery of a bold, new Digital World to our customers***, propelled by a mission ***to make our customers' lives a whole lot brighter***.

For more information about MTN Nigeria's products and services, please visit the MTN website: www.mtnonline.com. You can also get more information via the following social media:

www.facebook.com/MTNLoadedNG

www.twitter.com/MTNNG

www.youtube.com/MTNNG

www.instagram.com/MTNNG

EXECUTIVE STATEMENT OF CONTINUED SUPPORT FOR THE GLOBAL COMPACT:



Welcome to the United Nations Global Compact report for MTN Nigeria, a special report which we have successfully submitted for the sixth year running.

Over the past 12 years, MTN Nigeria has integrated responsible business practices with our core values of *Leadership, Innovation, Relationship, Integrity* and *Can-do*, to differentiate our operations and sustain our standing as a global brand of repute.

Now as we make the critical business transition to lead Nigeria's march into a bold new digital world of Information Communication Technology (ICT), MTN Nigeria continues to live up to its commitment to the time-honoured principles of the United Nations Global Compact. We are unrelenting in our adherence to principles not only in our everyday business operations but even more so in our broader interactions with the community.

Throughout the communities where we operate, we consistently demonstrate 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 alike.

I am delighted to note that in what appears to be a validation of the strength of the MTN Deal, MTN Nigeria has been formally accredited by the Investors in People (IiP) Governing Board, United Kingdom as an Investor in People organisation. We are therefore the first company in Nigeria, West Africa and indeed the MTN Group to attain this status.

Our practices and progress in the areas of human rights, labour standards, the environment and anti-corruption continue to challenge other organisations in Nigeria to embrace similar practices and we are proud to be an example to others.

Despite the difficult operating environment in 2012, we were able to consolidate on various initiatives which are related to the 10 UNGC principles, as well as commit to setting new targets in 2013 (some of which have already been achieved such as the IiP certification mentioned above)

As I restate MTN Nigeria's commitment to the principles of the UN Global Compact, I acknowledge the crucial role of MTN staff, Management and the

Board of Directors, whose individual and collective support have led to the achievements highlighted in this report.

Thank you and happy reading!

Michael Ikpoki

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 2012.

Summary of Highlights in This Report

Human Rights

MTN's Future Story: Employees shared their MTN stories, both good and bad as part of ***The Future - Shaping MTN's Story*** campaign. The stories and feedback helped identify the behaviours that needed to be maintained or changed in MTN.

Sponsoring cultural celebrations: We again demonstrated our commitment to Nigeria's proud heritage and warm, dynamic people, through our sponsorship of major festivals and cultural celebrations across the country.

Labour Standards

Uplifting our employees: We launched various internal initiatives centered around reward and recognition, (*The CEO Y'ello Manager Award, Product Innovation Competition*) employee training (*MTPO – Making Training Pay Off initiative*) and freedom of expression. These are key aspects of our Employee Value Proposition designed to provide employees with the right environment and culture to thrive.

Uplifting Upcoming Entrepreneurs: MTN *Bizlift* and MTN Leadership Seminar/MTN Budding Entrepreneur Business Grant.

Environment

Going Green While Staying Yello: Expansion of e-solutions, while sustaining carbon-reduction measures

Expansion of Web solutions: MTN Mobile Self-care App, MTN 180 Twitter Account, and the New MTN Web Self Service (WSS)

Anti-Corruption

Protecting the Business: Promoting best practice standards through enlightenment and accountability – Increased employee education on Ethics, Fraud and Conflicts Of Interest,

Protecting our customers: 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 almost a dozen years, we have enabled Nigerians connect to each other thus safeguarding a basic human right to speak freely, to share ideas and to access information. In this way we support economic and social opportunity, advance knowledge and promote openness and transparency.

We recognise that the capacity to stay in touch can serve as a critical tool for public safety or security. We therefore strive to deliver a secure and reliable infrastructure thus ensuring that our services are always available.

Importantly, we do not engage in ANY discriminatory practice based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability or conviction for an offence for which a pardon has been granted.

As a business, we thoroughly recognize and are humbled by the responsibilities that come from providing communications infrastructure, products and services to a huge percentage of the populace.

We remain committed to upholding 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 Recruitment Policy, MTNN Code of Ethics, MTNN Corporate Business Principles, Guidelines in the Conduct of Government Affairs, 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 communication

The Investors in People (IIP) Assessment Exercise

- In 2012 the Investors in People Assessment Exercise was carried out as part of efforts towards securing accreditation from the Investors in People (IiP) Governing Board in the UK as an ***Investors in People*** organization

The Investors in People (IIP) Standard is a business improvement tool designed to assist organisations achieve high performance through their people. One of the world's leading people management standards, it is a proven methodology for increased financial performance, productivity and profitability in an organisation.

- As part of the process the assigned Assessor conducted confidential one-on-one interviews with a cross-section of employees specifically chosen by the Assessor so as to ensure a balanced view of all the representative groups within MTNN as well as an objective outcome.

Microsoft Lync 2010

- Towards enhancing internal interaction and communication amongst employees across multiple media and communication platforms, we successfully upgraded our existing communication infrastructure through the integration of the **Microsoft Lync 2010** software solution.

Microsoft Lync is an enterprise-ready communications platform that allows users keep track of their contacts' availability; send instant messages(IM); start or join audio, video, or web conferences and make a phone call—all through a consistent, familiar interface. The Microsoft Lync client **is now installed on every MTNN laptop and desktop**, to enable employees create, connect and collaborate easily!

Shaping MTN's Future Story

In the process of shaping a new vision and future to set the company on the road to even greater success, the MTN Group commenced the *Shaping MTN's Future Story* campaign, managed online by a reputable external provider, **Vital Smarts** to ensure confidentiality.

Employees were encouraged to share their work experiences (positive and negative) with a view to helping the business identify the behaviours that are vital to the success of the company. These ***Vital Behaviours*** as they are now known are expected to act as the bedrock for MTN's future culture.

The identified vital behaviours are **Complete candour, Complete accountability; Get it done and Active collaboration.**

2012 Group Culture Audit

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 2012 GCA for MTN Nigeria recorded a staff participation rate of 92% which was a slight drop from 95% recorded in 2011.**

2012 Internal Satisfaction Survey (ISS)

- In 2012, we also conducted our second **Internal Communication Audit** which is a Group wide survey developed from a consultative process involving all the 22 operations in the MTN Group with MTN Nigeria contributing significantly to the content of the audit.

The *Internal Communication Audit* helps measure the effectiveness of internal communication within MTN, as well as the effectiveness of available communication platforms. It also helps internal communicators understand what needs to change or improve and what type of tools or support are needed to ensure MTNers are always well informed.

The feedback from the previous year was instrumental in the development of new channels called *Y'ello Buzz* and *MTN Connect*.

Intranet Portal Upgrade

The MTN Nigeria Corporate Portal (Share) was upgraded from Microsoft Share Point Server 2007 to the Microsoft Share Point 2010, to deliver a robust platform and world-class Intranet portal.

The upgrade gave a huge boost to productivity, information sharing, cross-functional collaborations, document archiving and lots more.

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 practice of recognising the efforts of employees who contributed to the company's success. For the fourth year running, employees received the award of one-off household items under the **Go-Benefit** scheme. This is in addition to the end-of-year gifts and annual salary review.

Medical care

- The 2012 Annual medical screening held in November across ALL MTN locations. It covered blood and other screening tests, with a full physical examination. The Medical Consultants then discussed the medical findings with each employee and issued a medical report or referral as appropriate.

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...

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

In 2012, the Foundation continued to assist indigent Nigerians burdened with chronic but treatable ailments requiring immediate medical intervention. Under the MTNF Medical Interventions Scheme (MIS), thirteen (13) individuals benefitted from the scheme through various medical interventions abroad.

Following an assessment of multiple requests from less privileged Nigerians across the country; selected patients were scheduled for treatment in relevant international hospitals accompanied by their parents or guardians. As with previous years all medical, travel and logistics expenses were absorbed by the Foundation

- ***Enhancing ability in disability***

The MTN Foundation provided starter-packs to 45 disabled youths who benefitted from the first phase of the *MTNF/Friends of the Disabled Skills Acquisition Projects for Persons with Disabilities*.

Items provided included Embroidery Tailoring Machines; Electric Arc Welding Machines and Straight Shoe Sewing Machines to enable the beneficiaries set up their own businesses.

Taking health care to our communities

- As part of our contribution to efforts to curtail the rise of certain non-communicable diseases in Nigeria, MTN through the MTN Foundation partnered with the Nigerian Association of Nephrology (NAN), to execute the 2nd Phase of the MTNF Community Health Screening Project. The project focuses on early detection of common non-communicable diseases (such as diabetes, hypertension, obesity, kidney disease etc) in the rural areas.

A total of 1,772 persons benefitted from the outreaches in 2012; where health indicators such as Body Mass Index, Blood Pressure, Blood Sugar, total cholesterol, Creatinine, Urea, and Triglyceride etc. were checked.

The MTNF Community Health Screening Project also provides a veritable platform for the collection of scientific data on non-communicable diseases in Nigeria which will help determine the non-communicable disease prevalence and distribution pattern across the country.

To-date over 4,300 people have benefitted from this intervention.

MTNF Partners Against Aids & Malaria In The Community (MTNF PAMAC)

- MTN Foundation commissioned the Youth Friendly Centre (YFC) in Olabisi Onabanjo University, Ago-Iwoye, Ogun State thus providing access to information, counselling and testing on HIV/AIDS for the student community.

Established in collaboration with National Agency for the Control of AIDS (NACA) the centre supports efforts to engage the youth segment with regards to the fight against HIV/AIDS. A similar centre was established at the Usman Danfodio University in Sokoto state.



The MTNF Youth Friendly Centre in Olabisi Onabanjo University, Ogun State

MTNF Sickle Cell Project:

- Under the MTNF Sickle Cell Project the Foundation has continued to contribute to the reduction of sickle cell related deaths in Nigeria through the delivery of preventive healthcare management services, essential drugs and consumables to sickle cell carriers and sufferers across the country.

25 healthcare workers took part in the 14th edition of the Genetic Counseling Training Course (GCTC) which held in Lagos thus bringing the total number of trained healthcare workers operating across the country to 236.

UDHR Article 3 Everyone has the right to life, liberty and security of person

MTNF Security Support Project (MTNF-SSP)

- The first phase of the MTNF – SSP aimed at contributing to a secure environment for lives, property and business operations across the country was implemented in 2012.

MTN Foundation provided 60 fully equipped security patrol vehicles to the following states and the Federal Capital Territory: Anambra, Akwa Ibom, Bauchi, Delta, Oyo, Ogun, Jigawa, Imo, Katsina, Kano and Plateau.

The second phase will be rolled out in 2013.

UDHR Article 22 Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

MTNF Emergency Relief Intervention

- This initiative is aimed at providing timely response to victims and communities affected by emergency situations. While the first phase of the project was rolled out in 2011 targeting 3 states (Bauchi, Oyo, and Zamfara), the heavy rains in 2012 led to serious flooding in 22 states and created emergency situations across the country.

MTNF responded in a timely manner and provided durable relief materials such as mattresses and pillows, cooking pots and stoves, blankets and bed sheets as well as food such as indomie noodles for displaced families in the following states: Adamawa, Anambra, Bayelsa, Benue, Cross River, Delta, Edo, Enugu, Imo, Jigawa, Kano, Kastina, Kogi, Kwara, Niger, Ondo, Oyo, Plateau, Rivers, Sokoto, Taraba and Zamfara. The items were received on behalf of the displaced persons by deputy governors and management staff of the respective State Emergency Relief Agencies.

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.

Care for Children

MTNF Orphanage Support Initiative

- MTN Foundation continue its tradition of providing support to the less privileged residents of orphanages and hospices spread across the country by donating household items to them.

In February 2012, 40 orphanages and hospices in the six geopolitical zones of the country received various household goods and food items valued at millions of naira. Again, in October 2012, another set of 41 orphanages and hospices across the country also benefitted from the initiative. Items donated included double door freezers, water dispensers, television sets, mosquito nets, detergents and various foodstuff such as rice, sugar, cassava flour, oil, beverages etc

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

MTN Nigeria continues to improve educational standards in the country in the following ways:

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

The focus of the 2012 edition of 21 Days of Y'ello Care was: *Inspiring and Empowering Learning* under the theme: *Investing in Education for All*. Over **2500** MTNers signed up for various activities over 21 days: For instance, **Six reading clubs** were set up in Lagos, Abuja and Port Harcourt, **15 Libraries** were upgraded in schools across various regions of the country, Teaching activities were held in **67 schools** across Nigeria and **Six secondary schools** in Lagos participated in the Y'ello Spelling Bee competition.



One of the teaching activities during the 21 Days of Yello Care

- MTNF Science & Technology Laboratory Project, Phase 1**

In furtherance of efforts to improve learning and practical teaching of core science subjects (Chemistry, Physics & Biology) in public Secondary schools, the MTNF Science & Technology Laboratory Project was established.

Under this initiative, the MTN Foundation provides the following to each of the Secondary Schools:

- ✓ Renovation/make-over works and provision of laboratory furniture
- ✓ Supply and installation of modern Science & Technology equipment for each subject: Physics, Chemistry & Biology
- ✓ One full year's supply of consumables (materials, chemicals and reagents) to the beneficiary Secondary Schools
- ✓ Training of 24 Science Teachers and Laboratory attendants across all the beneficiary schools
- ✓ Supply of a 5KVA generator to each beneficiary Secondary School and fuel supply to each school for one year

These laboratories were commissioned in 4 schools in 2012, while laboratories in other schools will be commissioned in 2013.

- ✓ **To date, 22 MTNF Science & Technology Laboratories have been established.*

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

The MTN Foundation continues to provide financial assistance to Science and Technology students in the country through its annual *MTNF Science and Technology Scholarship Scheme*. In 2012, **1,133** awardees were shortlisted for scholarship awards in the fourth 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 **\$4.46m** to over 3, 571 deserving students in the nation's public Universities, Polytechnics and Colleges of Education since inception of the scheme in 2009.



2012 scholarship beneficiaries at their award ceremony

- ***The MTNF UniversitiesConnect Project***

In 2012, the MTN Foundation also renovated the libraries of two universities which are pioneer beneficiaries of its *UniversitiesConnect* project. The two universities (Ahmadu Bello University, Kaduna State and the University of Lagos, Lagos state) received new computers, servers and other equipment.

It is instructive to note that under the *UniverisitesConnect* initiative, the following components are provided to each of the benefitting tertiary institutions:

- ✓ 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 through the NetLibrary network (Journals, Books, etc)
- ✓ A conducive study environment/space with good ambience, furniture, and alternative power supply
- ✓ Technical training to build capacity for 12 members of the University library staff to work with the Implementing consultant over the 2 year-period
- ✓ One-week library awareness (interactive session) held annually for 600 students and 120 lecturers to build capacity and to create demand and uptake of services
- ✓ Two years comprehensive insurance cover to take care of theft and fire incidents
- ✓ 5-year maintenance contract with the University to achieve sustainability of the library
- ✓ Installation of components and software as well as training to enable the inclusion of Blind students at the Universities of Nigeria, Nsukka, Enugu State and the University of Benin, Edo State.

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

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

MTN, through the MTNF Learning Facility Supply Project, continues to assist selected public secondary schools across the six geopolitical zones of Nigeria with learning furniture (branded Desks & Benches, and Tables & Chairs for Students & Teachers respectively). This project aims to supplement government's efforts to provide infrastructure and thereby assist to strengthen the quality of education in Nigeria.

In phase 1, a total of 2,250 desks and benches and 325 tables and chairs for students and teachers respectively were distributed to 13 schools across 12

States. In phase 2, a total of 7,400 desks and benches and 520 tables and chairs were distributed to 36 schools across 22 States. **In 2012, under phase 3, a total of 16,000 students' desks and benches and 1,600 teachers' tables and chairs were distributed to 80 schools across the 36 States in Nigeria.**



Students of Lagelu Grammar School, Agugu, Oyo State, one of the beneficiary schools

- ***Distribution of Learning Materials***

The MTN Foundation Learning Support Materials Initiative supports the Education sector by providing learning support materials and learning aids such as branded exercise books, school bags, rain coats, pencil cases; puzzle maps, etc. to primary and secondary schools across the six geo-political zones in Nigeria.

In 2012, **75,090** exercise books; **10,075** school bags; **35,235** rain coats; **6,595** pencil cases and **7,870** maths sets were distributed to **368** schools and organizations in Nigeria.

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

The main objective of the pilot phase of this project was to support four selected government technical/vocational colleges across the country through the provision of basic equipment for up-to-date training and qualification of craftsmen/technicians.

In February 2012, the MTNF Youth Skills Development Project contract signing ceremony was held to flag off project implementation. At this landmark event, the tripartite agreement between the beneficiary State

Governments, the project Implementing Consultant and the MTN Foundation was signed.

The following 4 government technical colleges will benefit from the first phase of the project:

- ✓ Government Technical College Ikorodu, Lagos State
- ✓ Government Technical College Owo, Ondo State
- ✓ Government Technical College Malali, Kaduna State
- ✓ Government Technical College Farfaru, Sokoto State

The project involves renovation work on laboratories, supply of equipment and furniture; and capacity building for the following skill areas:

- ✓ Electrical Installation and Maintenance Works
- ✓ Instrument Mechanics Works
- ✓ Refrigeration & Air-conditioning
- ✓ Fabrication and Welding
- ✓ Furniture Design and Construction
- ✓ Plumbing and Pipe Fitting

*The infrastructural development component of the project was completed in 2012, while installation of the laboratory equipment & furniture, and training of teachers is expected to take place in 2013.

• **MTNF - MUSON Music Scholarship**

The MTNF-MUSON Music Scholarship programme is an MTN Foundation initiative which commenced in 2007 to provide support to talented students and enable them to acquire qualitative music education.

So far, a total of 147 students have obtained the MUSON Diploma in Music. **In September 2012, a new batch of 30 students was also admitted to begin their two-year programme.**



MUSON Scholars Concert/Graduation ceremony

MTN Education Bundle

The MTN Education Bundle was launched in 2012. This is an innovative learning solution developed in partnership with Intel Corporation which is aimed at enhancing qualitative learning among the youth, in a way that makes learning both easy and fun.

The MTN Education Bundle comprises of a laptop, free internet access for 3 months and a rich bouquet of exclusive educational content, specially designed for children from Nursery to Senior Secondary school.

Some of the exciting features of the MTN Education Bundle include Skooool.com; Encyclopedia Britannica; Zinox Card; Ajapa World and McAfee Family Protection among others.

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 continues to identify with Nigeria's rich ethnicity and cultural diversity and in 2012, we again demonstrated our commitment to Nigeria's proud heritage and warm, dynamic people, through our sponsorship of major festivals and cultural celebrations annually. MTN Nigeria sponsored 10 cultural festivals across the country including: the Badagry festival; Leboku; Ofala Nnewi; Igue Festival; Olojo Festival Ile-Ife; and Zaria Durbar among others. ***See Appendix***

Connecting to Our Customers Passions

- ***MTN Lagos Street Soccer***

As title sponsor of this popular 5-a-side street football competition, MTN uses this platform to enrich the lives of youth by connecting them to their passion for world class football, while promoting grassroots development.

Indeed, the prizes for the winners of the MTN Lagos Street Soccer Championship have been deliberately chosen to serve as springboards for these promising talents to realise their dreams in that they not only include cash prizes but more importantly, international exposure through football training programmes in Europe and Africa.

Traders Cup

In 2012, MTN also continued with its sponsorship of the Traders football Cup in Onitsha and Aba - major towns in the Eastern region of the country. This is a competition that is dear to the hearts of the business community in the South East, and is MTN's way of identifying with the passions of this target group.

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 **5, 680** highly skilled men and women who contribute towards 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 and ensuring that recruitment and remuneration of employees is fair and transparent.

In addition, we are constantly promoting a work environment that abhors any action, attitude or policy that might in any way discriminate against our female employees. Furthermore MTNN actively supports its employees' liaison platform: the MTNN Employee Council.

MTNN is averse to all forms of forced labour and child labour and rigorously supports activities which prevent its occurrence. We also ensure strict adherence to age restrictions for ALL our work force, and insist that our suppliers; contractors and service providers do same in their operations.

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

Demonstrating our commitment through Action

Empowering and Recognising our employees

- ***2012 Employee Council Elections***

The MTN Nigeria Employee Council held its bi-annual elections to determine competent individuals to serve as Employee Council Representatives for a two-year period.

The Employee Council is a joint consultative platform through which management engages with elected employee representatives amongst junior cadre of staff across all MTN Nigeria (MTNN) business locations.

Over the last two years, the Employee council successfully engaged management on various issues aimed at fostering an improved work environment for junior employees below the management cadre.

- ***The CEO Y’ello Manager Award***

The very first set of CEO Y’ello Managers emerged from across the business following nominations by their subordinates (direct reports). 493 managers were nominated from which 14 were selected to receive the CEO Y’ello Manager Award.

The “CEO Y’ello Manager Award” was designed to recognize and reward managers and team-leads that practice the four cardinal points of the MTNN People Management Framework (Know Me, Focus Me, Guide Me, Recognise Me).



Winners of the CEO Y’ello Manager Award along with MTN senior management

- **Revision of HR Recruitment Policy**

In line with the *Investing in our Talent* pillar of the MTN Deal (Employee Value Proposition), the MTNN Recruitment Policy was revised to provide more clarity and enhance employee understanding of the MTNN recruitment process.

The review also aligned with our commitment to providing equal opportunities for employee development through policies that promote openness, transparency and an enabling environment for MTNers to improve their performance and realise their career aspirations.

Highlights of the review include:

- Additional guidelines on the selection process - short listing and interview process
- On-boarding process for new employees
- Definition of Vesting Period for recruitment purposes and defined eligibility criteria
- Guidelines on the employment of relatives

- **MTNN Product Innovation Competition**

In furtherance of efforts to build a greater culture of innovation in MTNN, a first-of-its kind product innovation challenge for staff – *The Next Big Think* was introduced.

The Next Big Think is a product innovation competition designed to give MTNers an opportunity to develop product and service ideas that will:

- Deliver unique value for customers
- Satisfy customers' needs better than any existing product or service
- Generate significant revenue for MTNN over a sustainable period

Winning entries were selected by a cross-functional panel of judges. The winners were accorded due recognition as *Product Innovation Champions*.

- **The Enhanced Y'elloStars Programme**

An enhanced version of the Y'elloStars initiative held in 2012. Y'elloStars is a unique MTN Group initiative that enables staff to recognise the valuable and outstanding contributions of their colleagues towards the success of MTN. The programme is also designed to drive performance excellence across the company by encouraging staff and leaders to treat recognition as a 'way of life' and incorporate it into their daily interactions at work.

Although this initiative has been in existence for some time, there were some enhancements to the nomination process in 2012, which enabled employees to nominate their colleagues for recognition using the IVR (Intelligent Voice Recognition) system which enables instant recognition through a simple phone call, or using the Mobiletools technology on the phone or computer.

- ***Opportunities for Personal Development – MTN Accredited Learning Scheme***

Through the *MTN Accredited Learning Scheme* 86 employees successfully gained admission to study 7 different courses in various UK universities. MTNN has committed to fund their education with close to £500, 000. 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.

- **Professional Development Online**

In addition, MTN also introduced the Harvard Manage Mentor (HMM), the popular online performance support tool from the prestigious Harvard Business School Publishing (HBSP). Employees receive a HBSP Harvard Manage Mentor certificate on successful completion of 10 modules.

Also, employees in technical departments who complete the full suite of Ossidian courses on e-Live, received the Ossidian Telecom Professional certificate from Ossidian Technologies Ltd., Ireland.

This is in addition to the wide range of accredited courses for employees seeking industry-standard accreditation from SkillSoft, across a wide range of business areas.

**There are almost 3000 e-learning courses across all job functions, with many in French and Portuguese.*

- **Making Training Pay Off Initiative**

MTN continues to focus on organisational learning and growth to unlock the potential and creativity of its staff. In line with this thrust, the Making Training Pay-Off (MTPO) policy was launched. This is designed to inspire Line Managers to play a more active role in the development of their direct reports.

Accordingly, employees and their line managers are required to have pre and post program conversations with their direct reports. This is to ensure that learning is correctly aligned with current business realities and ultimately transferred to the work place to enhance productivity and performance.

Implementation of the MTPO process will guarantee the following:

- A greater impact of learning interventions on business performance.
- A much improved reporting structure for training interventions.
- A visible template for measuring return on learning investment (ROI) for Operating Units and Group.

Uplifting Upcoming Entrepreneurs:

MTN BizLift

- The number of MTN Bizlift members grew 30% from 240,000 to **342, 620** in 2012. *MTN BizLift* is designed to engage, empower and expand the

businesses of small scale retailers whilst rewarding them for landmark achievements.

- **MTN Leadership Seminar/MTN Budding Entrepreneurs Business Grant**

Through the MTN Leadership Seminar, we provided a once-in-a-lifetime opportunity for three young Nigerian entrepreneurs to realise their business dreams through the MTN Budding Entrepreneur Business Grant. The grant, a whopping sum of N30, 000, 000 (Thirty Million Naira) was shared amongst three lucky recipients!

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.

We relentlessly 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 also 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, Hazardous Waste Management Policy and a waste disposal and management policy.

Demonstrating our commitment through Action

Preserving the Environment

- **Nationwide Network Modernisation**

In June 2012, MTN commenced a comprehensive network modernisation and swap-out Project at the cost of \$1.3 billion. The objective of the exercise was to significantly enhance the network capacity and provide better quality of service to our customers. It was implemented by a combined team of MTN engineers and our technical partners, Ericsson, Huawei and ZTE, and entailed upgrading and replacing key network components with cutting edge and the best available technology. All aspects of the network, including radio, transmission, core network and power systems were covered in the exercise. **In addition, existing power systems at most of our sites nationwide were replaced with hybrid power systems, which are more environment-friendly and will thus reduce diesel consumption.**

*The project is set to be concluded in 2013.

- **Hazardous Waste Management Policy**

In line with MTNN's commitment to maintaining the highest standards of ethical conduct in environmental conservation issues, the MTN Nigeria Hazardous Waste Management Policy was revised towards ensuring compliance with statutory and best practice requirements.

The Hazardous Waste Management Policy outlines MTN's expectations of all its employees and contractors in the management of hazardous wastes across MTNN facilities such as BTS sites, switch sites, offices, warehouses etc.

MTNN Incident Management Framework

The MTNN Incident Management Framework is an integrated approach to managing and responding to incidents to ensure a safe, secure and responsive environment. The framework provides guidelines for employees and other stakeholders during emergency scenarios, thus preventing personal harm, loss of assets, disruption to business operations and damage to reputation.

The framework addressed the provision of Incident Management for all MTNN's services and operations and identifies preventive, responsive and recovery actions by all employees and stakeholders for all categories of incidents critical to MTNN's continuing success.

Incident Management enhances the safety of staff and visitors; provides critical services following a major operational disruption event; deploys staff and resources effectively during an incident and reduces the period of disruption, as well as, operational, reputational, human and financial impact on the business.

Expansion of Web Solutions

The growth in electronic transaction is making it possible for more people to efficiently and effectively telecommute; transact business online and remain connected virtually. 2012 marked the start of a series of meetings between MTN and its employees which could see the successful launch of a *Work From Home* initiative in 2013.

If successful, it is expected that this will further reduce our significant carbon footprint arising from the number of vehicles driven by staff to work during the week.

We also continued with our practice of automating various internal processes to reduce paper usage, as well as introducing some automation to our external processes, through the use of special apps and other software which will reduce the time/energy spent by customers in visiting our offices to resolve any issue.

Some of the new services include:

- **MTN Mobile Self-care App**

MTN Mobile Self-care App is a mobile phone application that allows customers to process a wide range of voice and data requests directly from their mobile devices.

With the MTN Mobile Self Care App customers can:

- ✓ Manage their account (view account details in terms of balance enquiry, active tariff plan, last 10 recharges, last invoice etc.)
- ✓ View usage details
- ✓ Subscribe to various data bundles
- ✓ Verify threshold and notification alerts for data usage
- ✓ Purchase specialised ring back tones for their phones
- ✓ Perform SIM Swaps and much more!

- **MTN 180 Twitter Account**

We also launched @MTN 180 – a Twitter account exclusively dedicated to providing online customer service to all MTN subscribers!

Under this new initiative, a team of customer service representatives has been assigned to manage the Customer Service Twitter account – www.twitter.com/MTN180 on a 24/7 basis.

- **New MTN Web Self Service (WSS)**

The MTN Web Self Service is a web-based solution that allows online processing of a wide range of voice and data requests. This free service offers 24-hour online support and provides instant access to information which enables customers to directly carry out a variety of service transactions at their own convenience.

Customers can also verify the status of their requests and will receive alerts when service transactions have been completed.

These online platforms will reduce the commute by millions of subscribers to MTN service centres nationwide.

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 and is one of MTN's five brand values. It builds our reputation, distinguishes our brand and has established us as Africa's biggest network for over 10 years.

MTN practices a zero-tolerance policy against corruption in all forms. Several policies/practices have been put in place and disseminated to ensure compliance. Some of these policies include: *MTNN Conflicts of Interest Policy, Conditions of Service Manual, MTNN Code of Ethics, Disciplinary Process, MTN Nigeria Gifts & Donations Policy, The MTN Corporate Business Principles, Whistle Blowing Policy, Document Retention Policy, Guidelines in the Conduct of Government Affairs, Anti-Fraud and Zero Tolerance Policy, MTN Group Confidentiality Undertaking, Information Security Policy, MTNN Code of Conduct and Disciplinary Matrix, Supplier Code of Conduct Policy, Conditions of Service Manual and Employment Contract*

Demonstrating our commitment through Action

- **Automation of the Conflict Of Interest Declaration Form**

In line with our continuous efforts to encourage compliance with ethical best practice initiatives across the business, the newly automated Declaration of Conflicts of Interest form was introduced. The automated form provides a convenient platform for staff to complete the annual Declaration of Conflicts of Interest process electronically.

The MTNN Conflicts of Interest Policy seeks to protect the company and individuals involved in a transaction, from any appearance of impropriety, as this can negatively impact on the organisation's reputation. The Conflicts of Interest policy also exists to ensure compliance with statutory and best practice requirements. The policy extends to transactions, contracts and arrangements made by the family members of an interested Director or staff who are all regarded as related parties.

Every MTNN director, executive and all employees are mandated to complete the form annually as a practical demonstration of their commitment to upholding the principle behind the policy.

- **Revised Suppliers Code of Conduct Policy**

The Supplier Code of Conduct was revised in 2012 to ensure that the provisions reflect modern day realities and ensure compliance with international best practice.

The policy outlines MTN's expectations of all its employees and suppliers in the course of business transactions, and furthers MTN's commitment to maintaining the highest standards of ethical conduct in business dealings with suppliers.

By the same token, MTN employees have a responsibility to adhere to the Supplier Code of Conduct. Suppliers are also expected to do the same as well as encourage adoption by their own employees, agents and contractors.

- **The 2012 Anti-Fraud Road Show**

The Anti-fraud road shows was organized by the Forensic Audit Unit to create awareness amongst staff about MTNN's fraud-related policies, while also educating stakeholders on how to identify and report instances of fraud in their working environment.

The theme for the 2012 edition was "Living the Values – Integrity & You".

Encouraging "ethical conversations" amongst staff

- **YellIt! - Ethics Portal**

In 2012, we launched YellIt! - a mini-portal designed to provide employees with an interactive platform for learning and sharing information and insights about Ethics in the workplace, and lots more!

The portal fosters online discussions about the various policies and practices guiding ethical conduct in MTN. Employees also have the opportunity to participate anonymously in the online conversation and discuss ethics-related issues.

- **Annual Code of Ethics Certification**

An Annual Code of Ethics Certification commenced in April 2012. The Certification is designed to drive awareness and understanding of policies and related documents on ethical conduct, amongst staff.

To complete the Certification, staff members are expected to read relevant policy documents which are listed in the Certification.

- **The Ethica Series**

The Ethica Series (an internal cartoon series) provides employees with information that should enhance their understanding of MTN's ethical policies. The series, which is published monthly, is anchored by an illustrated character called **Ethica**.

Some of the topics covered in 2012 included: Gifts, Hospitality and Favours; Privacy and Confidentiality; Environmental Responsibility; Conflict of Interest and Code of Ethics Certification, among others.

Example:



Protecting our customers

- **MTN Security Number**

The MTN Security Number was launched on December 12, 2012 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 which protects a customer's phone line from fraudulent activities and provides access to various self-service channels came into use.

The 16-digit number comprises of a 12-digit customer identification number and a 4-digit security key. Customers have the option of changing the 4-digit security key via the MTN Web Self-service.

The MTN Security Number serves as a unified authentication mechanism across all our touch-points such as the Customer Helpline (180), the MTN Web Self-service (WSS) and ALL MTN Walk-In Centre

Through our core values, vital behaviours and operating guidelines, MTN's commitment to and support for the UNGC principles on Human Rights; Labour Standards; Environment and Anti-Corruption is evident. Again, this speaks to our unrelenting and continuously increasing adherence to these principles not only in our everyday business operations but also in our broader interactions with the community.

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) 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 1: List of MTNN Sponsored Festivals in 2012

| S/N | REGION | NAME OF FESTIVAL | EVENT DATE |
|-----|---------------|-----------------------------------|-------------------------|
| 1 | Lagos | Badagry festival | July 28 – August 5 |
| 2 | South South | Leboku - Cross River | July 28 - August 31 |
| 3 | | Aggah-Egbema | August 20 - September 5 |
| 4 | South East | Iriji Mbaise | August 14 - 15 |
| 5 | | Ofala Nnewi | December 27 - 28 |
| 6 | South West | Igue Festival – Benin City Edo | December 13 - 31 |
| 7 | | Olojo Festival Ile-Ife | October 15 |
| 8 | North East | Gembu Festival, Sarduana - Taraba | September 12 |
| 9 | North Central | Zaria Durbar - Kaduna | July 12 |
| 10 | North West | Zamfara Kalankuwa | September 21 |