Material matters impacting value creation

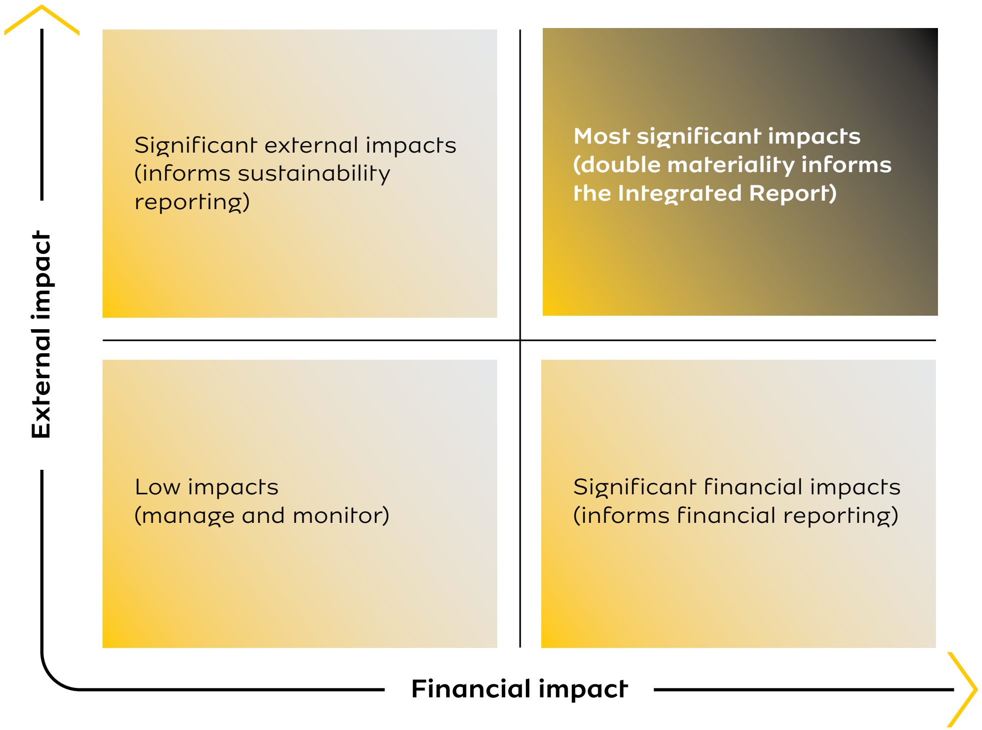
Our approach to materiality

MTN's operations impact the environment and society ('inside-out'). In turn, the environment and society affect the Group and our performance ('outside-in'). These impacts may be positive or negative and vary with time. Our approach to 'double materiality' is to disclose the material 'outside-in' impacts in the Integrated Report and the 'inside-out' impacts in the Sustainability Report.

Our materiality determination process, led by Investor Relations, is subject to Executive Committee and Board review. It identifies our key material matters and the collective themes under which they fall. In the course of this comprehensive process, we evaluated more than 150 individual matters potential impacting our business. Given the dynamic environment in which we operate, our top material matters can change.

Double materiality determination process

To identify material matters for inclusion in our annual reporting suite, each year we run an independently facilitated materiality survey. Informed by the survey data, members of our executive and senior management teams participate in a multi-disciplinary workshop to discuss and prioritise our material issues. Through this process, we identify all those matters that have a significant bearing on enterprise value (financial materiality), as well as our most significant impacts on people, society and the environment (impact materiality).



Our materiality determination process is as follows:

Identification

Identify potentially relevant material topics for consideration.
Extensive research to identify a wide range of material topics, considering:
- Global and industry-specific sustainability matters identified by SASB, GSMA, GRI and the JSE.
- Matters identified in our 2022 reporting suite.
- Matters raised by stakeholders via Reputation Index Survey.
- Internal documentation, including board packs and risk registers.
- Matters disclosed in peers' reporting.
- Emerging matters identified in the media.

Impact evaluation

Evaluate the extent to which good or bad management affects internal and external outcomes.
Internal stakeholders assess and score each potential material topic using a multifaceted ranking system that evaluates impacts from internal and external perspectives. Factors considered include:
- Financial performance.
- Regulatory compliance.
- Stakeholder expectations.
- Innovation, growth and competitiveness.
- Scale, scope and character of external impacts.

The resulting data is aggregated to ascertain which topics have the most significant financial and external impact ratings.

Prioritisation

Prioritise matters based on the likelihood of occurrence and magnitude of impact.
At a special workshop, senior representatives of all key departments discuss and agree on the final rankings of material matters.

The final scores are submitted to the GCEO, GCFO, Exco and Board for review.

The outcome of this process guides the content of our integrated, sustainability and financial reporting.

Strategic integration

Ensure alignment and integration with strategic priorities.
We respond to our material matters by putting in place:
- Appropriate management actions to capitalise on factors that offer opportunity for greater value creation.
- Interventions to mitigate those matters with potential to disrupt value creation.

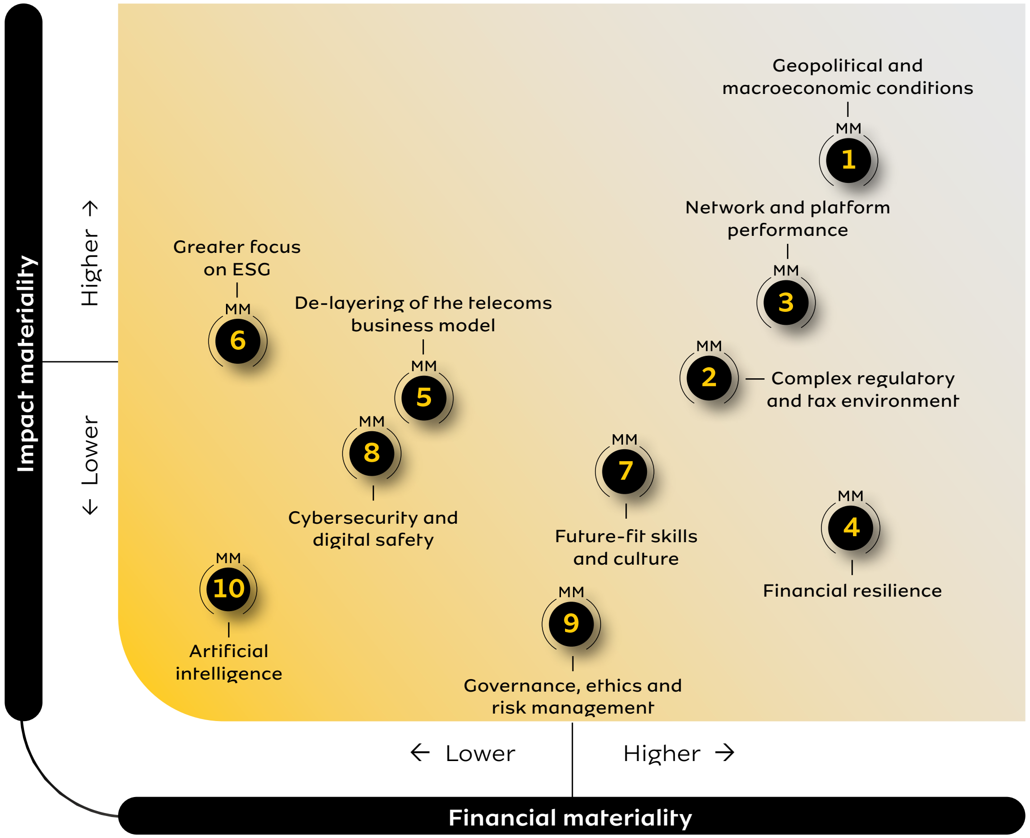
Material matters impacting value creation continued

Here we provide a summary of the material matters identified in 2023. We plot each matter on a graph that takes into account both 'impact materiality' and 'financial materiality'.

MTN views all material matters as important both to the company and all its material stakeholders: the numbers do not reflect relative priority.

In the pages that follow, we detail the material matters, unpacking the implications for value, strategic response, outlook and opportunity for each.

We also show links to the UN SDGs, relevant capitals, our strategic priorities and associated risks.



Material matters

	MM 1	MM 2	MM 3	MM 4	MM 5	MM 6	MM 7	MM 8	MM 9	MM 10
2023	Geopolitical and macroeconomic conditions	Complex regulatory and tax environment	Network and platform performance	Financial resilience	De-layering of the telecoms business model	Greater focus on ESG	Future-fit skills and culture	Cybersecurity and digital safety	Governance, ethics and risk management	Artificial intelligence
2022	1	2	3	6	8	4	7	5	–	–

Material matters impacting value creation continued

MM 1 Geopolitical and macroeconomic conditions

MTN operates in a diverse environment focused on pan-Africa and a presence in the Middle East. The markets vary widely in terms of political stability and economic developments, which impact on our business operations and financial performance.

The global geopolitical landscape is distinguished by fraught international relations, including conflicts in Ukraine, Sudan, parts of West Africa, and the Middle East.

The short-term challenges have intensified due to rising macroeconomic volatility on a global and regional level: high rates of inflation, sluggish economic growth, and currency fluctuations. The tightening of monetary policy has dampened economic activity.

Furthermore, our capacity to provide essential communication services to our customers has been hampered in markets plagued by social instability.

Relevant SDGs

8 Decent work and economic growth, 9 Industry, innovation and infrastructure

Relevant capitals

Financial, Intellectual, Human, Social

Related risks

R1, R5, R6, R7

Implications for value creation

- Investor confidence (including the value they ascribe to MTN) and business performance (revenue, costs, profit and cash flow generation) are impacted by macroeconomic instability.
- Increased interest rates and inflation put pressure on funding, input costs, and consumer spending.
- In certain markets, unpredictability in political conflicts and policies can cause disruptions to our business and our capacity to add value for our stakeholders.
- Foreign exchange availability and volatility impact capex, operating expenditure (opex), and the capacity to upstream cash from Opcos.
- Higher interest rates and capital market volatility influence valuations and our capacity to carry out strategic initiatives, such as portfolio transformation and our asset realisation programme (ARP).
- Increased social unrest and sanctions laws affect MTN's capacity to conduct business in certain areas, (including our ability to pay taxes) as well as our risk profile and investors' assessment of our enterprise value.

Strategic response

- Support our subscribers through work to enhance our customer value management (CVM) and streamline offerings to drive engagement and optimise pricing.
- Diversify the currencies in which we transact when procuring IT and network equipment.
- Focus on negotiating agreements with towerco partners that will enable us to mitigate against inflation and foreign exchange fluctuations.
- Deliver cost savings and protect cash flow generation through our EEP.
- Further reduce leverage, particularly our exposure to US currency debt, and manage our debt profile supported by ARP and well-executed portfolio transformation.
- Implement our comprehensive stakeholder relations plan which is premised on being proactive, inclusive and principles-driven.
- ARP and porfolio transformation reduce debt, simplify our portfolio, reduce risk and improve returns.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value | Accelerate portfolio transformation

Outlook

- Establish and maintain positive and collaborative relationships with regulators ST, MT, LT.
- Provide resources to assist nation states in implementing regulation requirements (e.g. SIM registration) MT, LT.
- Fulfil localisation commitments in line with local regulations and our priority to create shared value ST, MT.
- Participate and actively engage governments and regulators on developments affecting the industry across markets MT, LT.

Opportunities

- Focused execution of *Ambition 2025*, disciplined capital allocation, and our comprehensive risk management framework are key to our ability to traverse these challenges.
- Financial resilience enabling us to weather the short-term and capture medium-term and long-term growth opportunities
- Structurally higher demand for data and fintech services in our markets.
- Sustained investment into new network technologies and rural broadband coverage to sustain the scale and competitive edge in our markets.
- Innovative and differentiated offerings to serve all customer segments.
- Young, rapidly expanding population presents an exciting demographic potential, alongside relatively low adoption of data, fintech, and digital services.

Material matters impacting value creation continued

MM 2

Complex regulatory and tax environment

Our industry and the markets in which we operate have complicated and constantly evolving regulatory environments with increasing compliance requirements. Further, governments battling with macroeconomic challenges are likely to consider financing the fiscus through increased taxation.

Growth, profitability and our ability to serve our customers are impacted by the imposition of stricter regulations and compliance requirements.

With the support of our extensive regulatory and stakeholder management policies, we continue to engage with our nation state stakeholders.

Relevant SDGs

8, 9

Relevant capitals

Natural, Financial, Intellectual, Social

Related risks

R1, R2, R4, R5, R9, R10

Implications for value

- The customer experience may be impacted by a compliance burden, but when laws and regulations are implemented properly, they offer greater protection for consumers.
- Changes in regulatory and legislative obligations increase compliance requirements and can impact our overall growth, revenue and profitability.
- Tax regulations and directives can have material impacts on our cash flow and balance sheet, which in turn have implications for MTN's enterprise value.
- Well-structured tax policies encourage responsible corporate behaviour which supports the sustainability of the industry.

Strategic response

- Establish and maintain positive and collaborative relationships with regulators in line with our stakeholder relations approach.
- Provide resources to assist nation states in implementing regulation requirements (e.g. SIM registration).
- Fulfil localisations in line with local regulations and our strategic priority to create shared value.
- Participate and actively engage governments and regulators on developments affecting the industry across our markets.

Create shared value

Accelerate portfolio transformation

Outlook

- Continue to comply with ongoing regulatory directives ST, MT, LT.
- Execute on further localisations, subject to conducive market conditions MT, LT.

Opportunities

- Entrench MTN as the partner of choice for socioeconomic development and building sustainable regulatory frameworks in our nation states.
- Deepen the capital markets in the countries in which we operate and support their economic development.

Material matters impacting value creation continued

MM 3 Network and platform performance

Our world-class networks and platforms serve as the foundation for our competitive advantage and capacity to generate value. They are essential to our strategic priorities to build the largest and most valuable platforms and drive industry-leading connectivity operations.

Persistent power outages, or loadshedding, in South Africa continue to impact network availability. In many of our markets, the rising cost of energy has an effect on the running costs of our networks.

Relevant SDGs

8 Decent work and economic growth; 9 Industry, innovation and infrastructure

Relevant capitals

Natural, Financial, Intellectual, Manufactured, Social

Related risks

R1, R2, R3, R5, R6, R8, R9, R10

Implications for value

- Network expenses are impacted by increased energy prices, inflation and forex volatility, and the implementation of the network resilience plan in South Africa, which has an effect on cash flows and earnings.
- Expanding rural broadband coverage is a key component of our ***Ambition 2025*** strategy, requiring investment in network coverage and capacity.
- Poor network availability affects the quality of our service across key verticals. This has financial and reputational implications.
- Careful consideration is given to how network investments may affect our goal of managing our carbon impact and reaching Net Zero emissions by 2040.
- Network sharing enhances revenue and profits while also bolstering the sector's long-term viability.

Strategic response

- Significant investment into our network guided by our capital allocation framework, with a capex intensity target of 15-18% over the medium term.
- Engage with towerco partners to cushion the business from inflationary and foreign currency volatility pressures impacting network expenditure.
- Disciplined approach to capital allocation and strong balance sheet to enable us to invest in the resilience and capacity of our networks and platforms.
- Structural separation of fintech business and engagement with strategic partners to accelerate digital inclusion and growth.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value

Outlook

- Continue to invest in the network to expand broadband population coverage towards our 95% target for the Group ST.
- Leverage hyperscaler strategic partnerships to accelerate scaling of our other platforms ST, MT.
- Committed to a 47% reduction in scope 1, 2 and 3 emissions by 2030 and reaching Net Zero emissions by 2040 LT.
- Accelerate MoMo Payment Services Bank (PSB) in Nigeria to support overall fintech growth ST, MT.
- Complete fintech separation and sign further agreements with strategic partners ST, MT.
- Complete the comprehensive network resilience plan in South Africa ST.

Opportunities

- Leverage balance sheet strength to solidify leading network and platform position.
- Leverage our brand, scale, network, application programming interface (API) layer and data lake to grow our platforms.
- Continued investment in rural broadband coverage and new network technologies to maintain the scale and leadership advantage in our markets.
- Explore long-term sustainable solutions centred around alternative energy to support emission reductions.

Material matters impacting value creation continued

MM 4

Financial resilience

Our financial resilience initiatives include reducing our exposure to hard currency debt and accelerating the deleveraging of our Holdco balance sheet.

In the current difficult macroeconomic climate, a robust balance sheet is essential for acting as a shock absorber and gives us the freedom to pursue our ***Ambition 2025*** strategic priorities, which are aimed at accelerating growth and creating shared value. Our capacity to sustainably grow revenue and generate cash underpins our capacity to make investments.

Our disciplined approach to capital allocation directs the deployment of our capital spending, ensuring that we balance investments in our infrastructure with growing our platforms.

Relevant SDGs

8 Decent work and economic growth; 9 Industry, innovation and infrastructure

Relevant capitals

Financial, Intellectual

Related risks

R1, R2, R4, R5, R7, R8, R9, R10

Implications for value

- A stronger balance sheet provides flexibility, enabling us to deliver on our strategic priorities.
- Cash upstreaming affects our ability to deleverage the Holdco balance sheet faster and increase dividend payments to shareholders.
- Volatility and availability of foreign exchange impacts opex, capex and the ability to upstream cash from Opcos.
- Macroeconomic volatility impacts consumers, business performance (revenue, costs, profit, cash flow generation) and investor confidence.
- Elevated inflation and interest rates put pressure on consumer spending, input costs and funding.
- Volatility in capital markets and higher interest rates impact valuations and the ability to execute on strategic initiatives, including our ARP and portfolio transformation.

Strategic response

- Focused execution of our EEP in order to contain the impacts of high inflation on our business.
- Prioritise and expedite capex in accordance with our capital allocation framework to support growth and mitigate supply chain and foreign exchange risk.
- Manage debt profile and reduce US dollar exposure, in line with our medium-term target of reducing foreign currency denominated debt to below 40%, through liability management opportunities and innovative ARP and portfolio transformation execution.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Accelerate portfolio transformation

Outlook

- Maintain capex envelope and deliver on the ARP ST.
- Reduce non-rand debt faster through liability management ST, MT.
- Sustain EEP to reduce costs and support cash flows ST, MT.
- Invest capex in the coverage, capacity and resilience of our networks, as well as drive the growth of our platforms over the medium term MT, LT.

Opportunities

- Deliver on our medium-term guidance.
- Pursue our growth ambitions, leveraging greater balance sheet flexibility.
- Explore potential and options to return more cash to shareholders in line with our capital allocation framework.

Material matters impacting value creation continued

MM 5 De-layering of the telecoms business model

To generate more value and attract capital, telecom companies are adopting a de-layering strategy. This approach promotes efficiency and high-quality service by enabling each 'de-layered' entity to flourish in its specialised field.

Our platform approach allows us to stimulate innovation and unlock value while enabling economies of scale.

Regulations, a major area of the business's focus, will determine how quickly and how far this evolution proceeds.

Relevant SDGs

9 Industry, innovation and infrastructure; 10 Reduced inequalities

Relevant capitals

Financial, Intellectual, Human, Manufactured

Related risks

R1, R2, R3, R5, R6, R9

Implications for value

- MTN and our stakeholders will benefit from the value unlock following the successful de-layering of the telecom business model.
- The telecoms business model's de-layering supports the acceleration of the financial and digital inclusion agenda.
- Successful implementation improves our risk profile and investors' assessment of our enterprise value.

Strategic response

- The structural separation of the fintech business from the mobile business is largely complete.
- In February 2024, MTN and Mastercard signed definitive agreements for a minority investment by Mastercard of up to US$200 million into MTN Group fintech, valuing the entity at US$5.2 billion.
- The structural separation of our fibre business is underway, with completion anticipated in 2024.

Build the largest and most valuable platforms

Accelerate portfolio transformation

Outlook

- Complete fintech separation and sign further agreements with strategic partners ST.
- Finalise separation of our fibre assets during 2024 ST.
- Leverage Bayobab pan-African connectivity partnership with Microsoft to provide access to large-scale infrastructure services ST, MT.

Opportunities

- Drive faster digital and financial inclusion.
- The separation of our fintech business and fibre assets, with opportunity to leverage key strategic partnerships, can accelerate the scaling and growth of these businesses.
- Enable MTN to benefit from pan-African economies of scale, fostering innovation and unlocking value.
- Enter partnerships with sector-specific specialists and leverage our leading African brand to accelerate growth.

Material matters impacting value creation continued

MM 6

Greater focus on ESG

The ESG frameworks of companies are crucial to sustainable investing as they enable the investment community to assess a company's compatibility with their values and determine the value of the business.

Effective ESG initiatives give companies a competitive advantage that enables them to attract investors, increase customer loyalty, keep employees engaged and enhance earnings. ESG is becoming a more widely accepted business concept that affects corporate strategy and investment returns. This is in addition to the increased uniformity of worldwide ESG standards.

Relevant SDGs

4 Quality education, 5 Gender equality, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 10 Reduced inequalities, 13 Climate action, 16 Peace and justice strong institutions, 17 Partnerships for the goals

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Related risks

R 2, R 3, R 4, R 5, R 8, R 9, R 10

Implications for value

- The long-term sustainability of our business, our strategic intent of leading digital solutions for Africa's progress, and our focus on creating shared value for our stakeholders are linked to our ability to implement and report on our ESG programmes.
- MTN's reputation and success is increasingly linked to our ESG performance, including adherence to governance standards.

Strategic response

- ESG is at the core of our ***Ambition 2025*** strategy and drives our business decisions and culture.
- Our dedication to enhancing our ESG performance has improved our standing with stakeholders and consistently raised our score with raters and rankers.
- We have a well-developed and effective sustainability framework with robust ESG policies, processes and disclosures, which we implement at Group level and adapt locally to Opcos.

Create shared value | Accelerate portfolio transformation

Outlook

- Engage with towerco and other network partners to overcome challenges in reducing emissions MT, LT.
- Achieve gender equality and pay parity at MTN ST, MT.
- Entrench a culture of ethics, in line with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) ST, MT.
- Remain committed to protecting the rights of all our customers ST, MT, LT.
- Continue to demonstrate value creation while maintaining our ethics and compliance standards ST, MT, LT.
- Pursue further localisation across our markets MT.

Opportunities

- Further improvements in scores from key ESG raters and rankers, increasing our exposure to a wider investor base.
- Increase our overall contribution to the SDGs through our support for a more diverse and inclusive society; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; climate action; and Africa's progress to name but a few.

Material matters impacting value creation continued

MM 7

Future-fit skills and culture

Our people are key to driving the execution of ***Ambition 2025***.

Digitalisation has accelerated the demand for digital skills, which we need to deliver on our purpose and which we need to help develop across our markets so that more people can enjoy the benefits of a modern connected life.

Relevant SDGs

4 Quality education, 5 Gender equality, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 10 Reduced inequalities

Relevant capitals

Intellectual, Human, Social

Related risks

R 5, R 8, R 10

Implications for value

- Our people agenda is focused on creating an ecosystem that is critical for the delivery of ***Ambition 2025***.
- A widening skills gap has implications for digital and social inequalities.
- The value of employee engagement is evidenced in higher productivity and improved performance.
- Businesses that prioritise a diverse and fair pay culture benefit by creating a culture that is resilient and effective.

Strategic response

- Future-proofing talent pipelines across the connectivity and platform value chain.
- The total female representation is 40%, just below our 2025 target of 41%.
- Enable and foster a culture of learning in order to establish a workforce that is agile and adaptable.
- Identified directors with the skills to support the delivery of our strategy.
- We launched the MTN Skills Academy in eight markets, advancing our efforts to address the digital and financial skills barrier.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value | Accelerate portfolio transformation

Outlook

- Continue to evolve our focused programmes data science, fintech, digital product management, emerging tech, AI and machine learning ST, MT.
- Continue to prioritise work to accelerate digital literacy, skills and expand our skills academy ST, MT.

Opportunities

- Unlock socioeconomic development by utilising technology to empower individuals across our markets — especially women and young people — and promote social inclusion for everyone.
- Reposition our skills base for the future of the business, ensuring we are able to support the platform and connectivity businesses.
- Drive digital skills for digital jobs to reach one million people by 2025.

Material matters impacting value creation continued

MM 8 Cybersecurity and digital safety

Cyber-attacks are escalating globally with increased third-party incidents and breaches and more sophisticated ransomware. There is also going concern about child rights violations, particularly online sexual abuse and bullying. Organisations must continuously assess the evolving security threat landscape and enhance their security and other mitigations.

Relevant SDGs

8 Decent work and economic growth, 9 Industry, innovation and infrastructure

Relevant capitals

Intellectual, Manufactured, Social

Related risks

R 2, R 3, R 5, R 6, R 8, R 10

Implications for value

- A cyber-attack aimed at MTN could lead to service interruption and the infringement of the personal and confidential data of our people, partners, customers and suppliers. This could lead to significant business interruption and an associated financial impact, as well as expose MTN to increased regulatory scrutiny and reputational damage.

Strategic response

- Enhanced our overall security capabilities, as well as those in our supply chain and in our platform businesses, particularly those which are being structurally separated.
- Continued to focus on enhancing capability of our security resilience roadmap to address the threat of ransomware.
- Continued to carry out simulations of Opco information security crises.
- Collaborated with organisations like the Internet Watch Foundation and educated children, parents, teachers and caregivers on responsible digital technology use through a comprehensive child online protection programme.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value | Accelerate portfolio transformation

Outlook

- Increasingly sophisticated cyber-attacks across the globe, including ransomware and threats of data privacy breaches ST, MT, LT.
- Continued security assessments of MTN systems to identify vulnerabilities requiring remediation ST, MT.
- Continued to evolve our solutions for child online protection ST, MT.

Opportunities

- Deployment and optimisation of integrated and scalable security capabilities to drive a mature security posture.

Material matters impacting value creation continued

MM 9

Governance, ethics and risk management

World-class governance structures, practices and policies ensure the efficient, ethical and effective functioning of organisations. In a dynamic environment, multinationals like MTN need to be agile, responding to changes in operating circumstances – including regulation. They need to be transparent and ensure a consistent approach across multiple jurisdictions.

Relevant SDGs

8 Decent work and economic growth, 16 Peace and justice strong institutions

Relevant capitals

Financial, Intellectual, Human, Social

Related risks

R1, R2, R3, R4, R5, R6, R7, R8, R9, R10

Implications for value

- A well-governed organisation that has clear governance structures, practices and policies is likely to be a more successful and sustainable one, where the relationship with stakeholders is based on trust, and people, partners, suppliers and customers feel safe. Effective risk management is necessary to ensure operational integrity and sustainability. Conversely, failures in governance ethics and risk management could damage a company's operational and financial performance, reputation and licence to operate and put its people and customers at risk.

Strategic response

- Continued to evolve our governance framework and focus at the Group and subsidiaries, safeguarding ethical and effective control, clarity of decision making and ensuring a sound tone from the top.
- Oversaw the commencement of the evaluation of the Board by an independent consultant.
- Worked to ensure ever-greater accountability, transparency, efficiency and compliance, as well as continual improvements in risk mitigation, reporting and staff retention.
- Continued to weave governance into the fabric of how we operate.
- Made extensive progress in enhancing our risk management, including putting in place new risk resources and structures at Group Fintech; embedding key risk indicators (KRIs) in all Opcos; and modifying the enterprise risk management (ERM) maturity model.
- Completed our ethics management programme in 2023, including development and rollout of a comprehensive ethics management toolkit of the scope and strategy of ethical practices at MTN.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value | Accelerate portfolio transformation

Outlook

- Continue to monitor the governance landscape and be responsive to it, continually setting and aligning to best practices MT, LT.
- Revise Group ERM policy and methodology to reflect best practice and operational needs, including updating the risk appetite and preference framework and reviewing risk categories and tolerance levels ST, MT.
- Continue to review and updated key ethics-related policies ST, MT.

Opportunities

- Remain at the forefront of ethical and effective corporate governance and risk management across our multiple markets and jurisdictions and, in so doing, continue to boost MTN's reputation and trust with all stakeholders, and ensure the delivery of our strategy.

Material matters impacting value creation continued

MM 10

Artificial intelligence (AI)

AI, Generative AI (Gen AI) in particular, has emerged as a key technology with the potential to significantly reshape the nature of business operations and customer value delivery across several parts of the telecoms value chain.

Relevant SDGs

8 Decent work and economic growth, 9 Industry, innovation and infrastructure

Relevant capitals

Intellectual, Manufactured

Related risks

R 3, R 5, R 8, R 10

Implications for value

- AI is seen to be value-enhancing for MTN given its potential to drive innovation and efficiency. However, we are also cognisant of the growing focus on the risks associated with AI implementation, including ethical implications and societal impact.

Strategic response

- MTN Group is taking a disciplined approach to investing in building capabilities, governance, partnerships and early proof points of value across all AI domains (diagnostic, predictive and prescriptive) with special focus on Gen AI.
- We recently unveiled our customer service AI-based chatbot in MTN Nigeria, MTN Zigi, with an OpenAI-powered capability. Similarly, we released an AI-powered assistant designed to streamline our employees experience in South Africa (MTN SiYa) in December 2023.
- We continue to refine our AI solutions while monitoring global developments in this space and exploring additional use cases to deliver impact across CVM, network operations, operational efficiency, among others.
- To mitigate potential risks, we are guided by our Group-wide AI policy and practices.

Build the largest and most valuable platforms | Drive industry-leading connectivity operations | Create shared value | Accelerate portfolio transformation

Outlook

- Continue to refine the Zigi and SiYa solutions (AI powered assistance) while monitoring global developments in this space and exploring additional use cases to deliver impact across revenue generation, operational efficiency and cybersecurity, among others ST, MT.

Opportunities

- We recognise the need to harness the power of digital technologies responsibly, ensuring that our actions contribute positively to environmental sustainability and social progress. Our Group-wide AI policy and practices will continue to evolve to reflect best practices across risk management strategies, ethical guidelines, data privacy and governance, and security by design.

Social, Ethics and Sustainability Committee Chair's review

"MTN sustained our efforts to harness the power of digital technologies responsibly, striving to ensure that our actions contribute positively towards social progress, environmental sustainability and sound corporate governance within the evolving complexities of sustainability and geopolitics in the modern world."

Key features of 2023

- Made significant progress against ESG KPI Index. Achieved improved Sustainalytics score of 22.2 and Carbon Disclosure Project score of B (previously C).
- Advanced work to achieve Net Zero emissions by 2040, reporting a 13.1% absolute reduction in Scope 1 and 2 emissions, which exceeded our 2023 target of 7.5% (excluding MTN South Africa).
- Remained committed to diversity and inclusion: women represented 40% of our workforce, nearing our 2030 target of 50%.
- Extended financial inclusion, achieving broadband coverage to 89.2%, closer to our 2025 target of 95%.
- Continued to create and protect value for our stakeholders, achieving 79.5% Reputation Index Survey score.
- Spent more than R220 million in CSI across host nations; advanced our digital skills for digital jobs efforts, launching the MTN Skills Academy in eight markets.
- Maintained for the third year running a Level 1 B-BBEE rating for MTN Group and MTN South Africa, the latter launching a special programme to increase procurement spend with local suppliers.
- Continued to embed ethical culture, having achieved 79 on the Ethisphere Group Ethical Culture Quotient^ score, compared to Global Benchmark Quotient of 85.
- Recommended for Board approval a refresh of MTN's values, which specifically included 'Act with Inclusion', empowering everyone and underscoring the power of diversity.

^World's Most Ethical Companies assessment process.

For more details of the committee's work during the year, see the SR

Key focus areas for 2024

- Maintain a deliberate focus on addressing Scope 1, 2 and 3 emissions, while actively monitoring portfolio shifts as part our Net Zero efforts.
- Continue to advance our gender-equality agenda by accelerating the hiring of women and ensuring representation across various leadership and specialisation categories.
- Expand our partnership base and business models to accelerate our broadband coverage efforts.
- Replicate and scale our digital skills for digital jobs agenda through our MTN Skills Academy and broader information and communication technologies (ICT) ecosystem-based approach.
- Retain Level 1 B-BBEE status and expand on our enterprise and supplier development programme.
- Persist in our efforts to address matters that are material to our stakeholders.
- Continue incremental reputation improvements by addressing stakeholder needs.
- Entrench and enhance ethical culture efforts and ensure closer alignment between ethics and risk.

Chairman
Nkululeko Sowazi

Members	Meetings
Nkululeko Sowazi	4/4
Khotso Mokhele	4/4
Nicky Newton-King	4/4
Stan Miller	4/4
Lamido Sanusi	4/4

All members are independent non-executive directors.

By invitation: Group President and CEO, Group Chief Sustainability and Corporate Affairs Officer, Group Chief Human Resources Officer, Group Chief Risk Officer and Group Chief Legal and Regulatory Officer.

Mandate:
The committee performs an oversight and monitoring role to ensure that MTN's business is conducted in an ethical and properly governed manner. The committee assists the Board with creating shared value for stakeholders in a sustainable manner through responsible ESG practices and solutions across MTN's operating markets.

Stakeholders with whom we partner to create value

MTN's strategic intent is leading digital solutions for Africa's progress. In pursuit of this, we recognise the critical role of all our stakeholders. Our commitment to effective stakeholder management empowers us to navigate challenges, seize opportunities, and foster a sustainable business model that benefits not only MTN but also our broader stakeholder community. On page 15, we unpack the context in which we operate.

As a responsible corporate citizen, MTN acknowledges our role in society. We operate as a juristic entity with rights, but equally important, we bear responsibilities and obligations toward the communities we serve.

Our deliberate efforts extend beyond shareholders and commercially incentivised stakeholders. Through structured engagement, research and analysis, we assess the impact of our business activities on sustainable socioeconomic development within each country.

In line with this commitment, we revamped our Group stakeholder and reputation management framework in 2023. This comprehensive framework includes our stakeholder and reputation management strategy, stakeholder management policy, and a practical playbook for implementation across our footprint. As part of this process, we engaged with all stakeholder categories across our markets, and beyond, with a view to:

Key objectives

Drive MTN's reputation by managing the gap between stakeholder expectations and company performance.

+

Invest in healthy and long-term relationships with priority stakeholders to build stakeholder trust – the foundation of strong relationships.

+

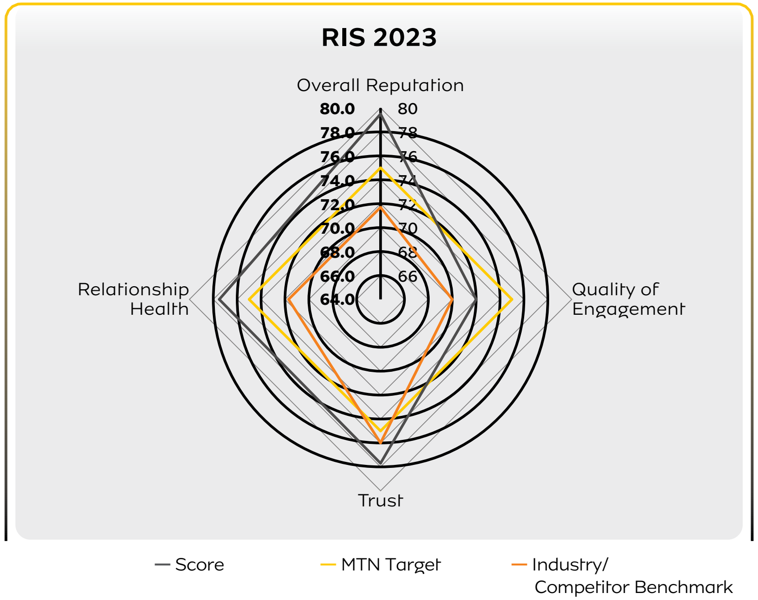
Focus on the quality of our engagement, including our responsiveness to stakeholder issues and concerns.

=

What we did in 2023

We assess how well we are doing on each of the above areas through several research interventions, including the Reputation Index Survey (RIS), which surveyed over 5 300 stakeholders across 14 markets.

The 2023 RIS showed a consistent three-year average of 80% in overall reputation, exceeding our corporate targets and outperforming industry / competitor benchmarks. This sentiment is confirmed by a participant in the MTN Media Dipstick Audit Report of February 2024 wherein the participant comments: "I think MTN does a pretty good job". This is also confirmed by the Quarter 4 MTN Group Brand Health Trust Survey which sees our customers ranking MTN as "Number 1 in key markets including SA and Nigeria" which has also shown year-on-year growth.



Stakeholders with whom we partner to create value continued

The results from the MTN RIS feed into organisational KPIs signed off by the Board, and feature in Board reporting and reporting to stakeholders. Therefore the four percentage point (pp) year-on-year decline in the Quality of Engagement indicators from 76 to 72% is our major concern as stakeholders have raised concerns, particularly related to control mutuality and perceptions that we do not overtly display long-term commitments in some of our markets. Although the 72 score is above the general acceptable moderate to good score of 65 – 70, it is below the corporate target of 75, therefore the next edition of stakeholder engagements plans and our refined stakeholder management strategy will pay greater attention to balancing relations as well as predictable commitments, particularly in the corporate social responsibility space.

"So far we are doing very well in the relationship we have established with MTN. I do, however, have a feeling that more engagements and consultations need to be embraced towards taking the final decision about programmes at hand. Straight talk breaks no friendships. Thank you." – Government stakeholder, Eswatini

Nonetheless, stakeholders expressed a steady year-on-year and above target 77.7 in the levels of trust in the MTN brand. This is slightly above the 76 for technology companies according to the 2024 edition of the Edelman Trust Barometer. It is significantly higher than the 68 ascribed to telecommunications companies, thus sealing our position as an innovative technology company.

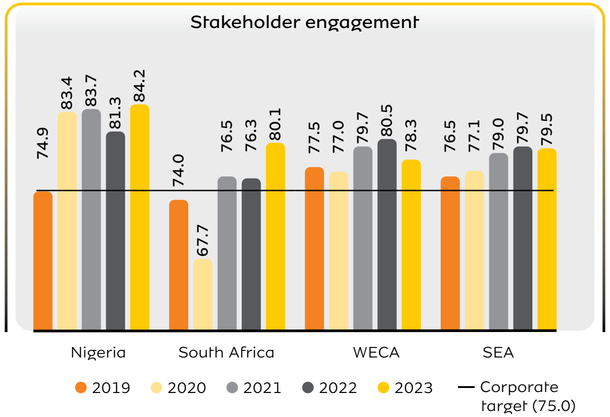
The high level of trust in the MTN brand is also confirmed by the MTN Brand Health Trust Survey, which has seen the efforts to grow trust resulting in positive uplift with people trusting MTN over competitor brands. The survey sees MTN improving its association score relative to competitors in 10 of 15 markets. Consequently, our brand has either extended its lead over its main competitor or narrowed the gap.

"MTN is a very innovative company. I love the outlook of the app." – Ghana customer.

Stakeholders also expressed confidence in their relationship health with an above-target score of 77.5, which is also above the in general relationship health of between 65 and 70 which is deemed as adequate to good. Although we have significant reserves of relationship capital, we have lost ground with suppliers, the investment community, regulators and policymakers and civil society. Thus, going forward, engagement strategies will pay particular attention to these categories of stakeholders with an added emphasis on some markets. Additionally, we shall pay particular attention to stakeholder perceptions of how well we perform on material issues that they have identified as being the most important to them.

"Achieving revenue growth while managing costs remains critically important. Telcos are capital intensive and therefore it is important to balance capex against operating cash flow. Ideally we want to see further de-risking of the balance sheet and paydown of dollar debt. Continued rationalisation of the portfolio and monetisation of assets is also key to the Group's value unlock strategy." – An MTN investor.

In taking a tier 1 and regional view, given the impact of geopolitics, economic slowdown, relative instability as well as policy and regulatory ambiguity, it is not surprising that the WECA region registered a marginal reputational decrease. The tier 1 markets (Nigeria and South Africa) both registered a reputational improvement, despite the global and local challenges confronted by the markets. The SEA markets experienced a stable year-on-year reputational score, despite some changes in the national executives and regulators in markets such as Zambia and South Sudan.



Stakeholders with whom we partner to create value continued

Doing for tomorrow, *today* is not something we can do on our own. We rely on the support and collaboration of diverse stakeholders across our markets to create value through delivery of our strategy and the SDGs. The MTN Group reputation and stakeholder management framework is our mechanism to ensure that we are proactive, inclusive and principles-driven in how we relate with our stakeholders.

Doing builds strong relationships

The objectives of our stakeholder engagement inform the KPIs which we use to evaluate the impact of our efforts. They help us assess whether we are complying with the MTN Group stakeholder management policy and making progress in delivering on ***Ambition 2025***.

To measure our performance, we rely on stakeholder feedback in our everyday engagements, as well as on our Reputation Index Survey – which directly surveys stakeholders and incorporates this information with data collected through ongoing NPS tracking (for subscribers and customers) and the Sentimeter survey (for MTNers – our employees).

In 2023, this yielded a combined dataset of 5 394 stakeholder contributions (up from 5 290 in 2022) – making this the most well-attended Reputation Index Survey yet. We used the services of a reputable independent survey provider to carry out the research.

Survey results

Overall metrics

The results of the 2023 MTN Reputation Index Survey show that MTN's reputation remained steady for the third year. Here we give performance against the key objectives of our stakeholder engagement:

Key objectives

Key objectives	2023 performance	2022 performance
1) Drive MTN's reputation by managing the gap between stakeholder expectations and MTN's performance.		
Reputation	**79.5%**	79.6%
2) Invest in healthy and long-term relationships with priority stakeholders to build trust – the foundation of strong relationships.		
Relationship health	**77.5%**	78.6%
Trust	**77.7%**	78.3%
3) Focus on the quality of our engagement, including our responsiveness to stakeholder issues and concerns.		
Quality of engagement	**72.2%**	76.2%

Stakeholders with whom we partner to create value continued

Partnering for progress by understanding what matters most to our stakeholders

Our various research interventions, as well as our ongoing stakeholder engagement efforts, help us better understand the material issues that matter most to our stakeholders, and how well we perform in meeting their expectations in these areas:

Rank 2023	Material issue	Performance 2023	Importance Rank 2022	Performance 2022
1	Business performance and financial results	82	2	83
2	Product and customer experience	73	1	75
3	Impact on socioeconomic development	81	3	81
4	Contribution to the mobile and fintech industry	85	5	89
5	Compliance with legislation and regulations	84	6	87

A snapshot of our stakeholders

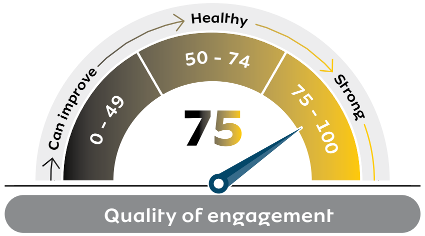
While all stakeholders including suppliers are important to our operations, at the Group we identify six stakeholder groups with the largest potential to impact our ability to create and preserve value at a multinational level:

Stakeholders with whom we partner to create value continued

Government

Why we engage

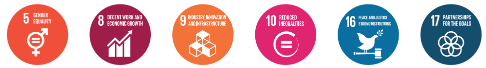
Provide an enabling environment for value creation.



Assessment used

RIS

Affected SDGs



What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Product and customer experience	75%	Of great concern for government stakeholders is the perceived limited reach and slow speed of the MTN network especially in rural areas in markets such as Nigeria, South Africa and South Sudan. Because MTN is the market leader or second, government stakeholders perceive MTN to be contributing positively in the economies and job creation in host nation's socioeconomic development challenges. However, there is a push for a greater quantum of investments particularly in CSI which is required to be better alignment with national priorities, projects and priority geographic locations. Government stakeholders have the perception that MTN is performing well in their markets, however it is these perceptions that have led to the unintended consequence of the unfounded perceptions that MTN pays far less taxes than it should be paying. Although government stakeholders trust MTN to do what is right, they remain concerned of their perception that MTN does not always do what it says it will do and it has not spent sufficient efforts in co-creating the agenda with government. Government stakeholders also raised concern around customer protection in relation to the fintech business.	MTN is actively pursuing the coverage, reliability and minimisation of network down time through investments to improve the infrastructure. Further local and international partnerships are being mobilised to maximise the socioeconomic impact, to complement the current contributions to host nations in particular as it relates to socioeconomic challenges, growth, development and job creation. MTN is also engaging governments in host nations, which efforts are being complemented by ongoing industry-wide advocacy through the GSMA as it pertains to fairshare contributions and tax. These form part of the common platform of action of the G6, a GSMA convened platform of Africa's leading MNOs. Active engagement with the governments as the fintech business is refined to be more responsive to government concerns.	Undertake regular courtesy calls by leadership across our markets. Participate in numerous public forums. Actively participate and shape the advocacy efforts of the GSMA, so as to get policy and regulatory predictability and harmonisation.
Impact on socioeconomic development	80%			
Business performance and financial results	83%			

Survey Results

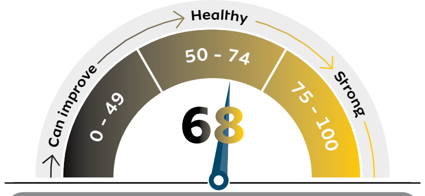
Reputation (how well we meet expectations)	Reputation health	Trust
80%	80%	80%

Stakeholders with whom we partner to create value continued

Regulators and policymakers

Why we engage

Provide an enabling environment for value creation by regulating our industries and awarding licences. These important stakeholders include ministries and public sector departments that have a direct oversight on the ICT sector as well as lawmakers that impact directly on the MTN operating environment.



Quality of engagement

Assessment used

RIS

Affected SDGs

5, 8, 9, 10, 13, 16, 17

What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Business performance and financial results	80%	Similar to government stakeholders, regulators and policymakers are concerned about MTN's quality of engagement and have a moderate perception that MTN could do more in supporting the socioeconomic challenges confronting the host nations. Although MTN is largely seen to be complying with legislation and regulations in host nations, there is a minority perception that MTN could be more responsive and supportive of priority projects and programmes identified by regulators and legislators.	We have refined our stakeholder engagement plans to better align and collaborate with regulators and policymakers, with a view of partnering on priority programmes and projects. Considerations are underway of reconfiguring and realigning the MTN Foundations for impactful models as well as improved governance and accountability. We leverage global and in-country industry associations.	Undertake periodic consultations and courtesy calls across our markets and with continental multilaterals as well as industry platforms. Participate in policy and public forums and industry associations to improve the quality of engagement and to advocate for a transformed sector.
Impact on socioeconomic development	75%			
Compliance with legislation and regulations	79%			

Survey Results

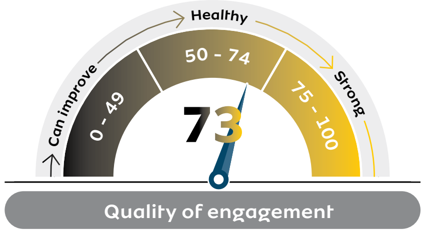
Reputation (how well we meet expectations)	Reputation health	Trust
77%	77%	73%

Stakeholders with whom we partner to create value continued

Civil society

Why we engage

Provides the basis from which MTN's services are generated, workforce skills are acquired and where our business derives its legitimacy.



Assessment used

RIS

Affected SDGs

What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Impact on socioeconomic development	79%	Similar to government, civil society believes that MTN could have better reach especially in rural areas. Although MTN's socioeconomic contributions are acknowledged by civil society stakeholders there is a belief that MTN can and should invest more, as there is a belief that MTN performs very well and makes profits in the markets. Civil society is also concerned that MTN does not co-create programmes or projects with them, with the perception that we come with an already preconceived agenda and programmes. This stakeholder group is also concerned that human rights are upheld.	We are actively addressing the coverage and reliability of our network through investments directed at continuously improving the network. Regionalised consultations with civil society are being periodically convened so as to better align with the expectations of civil society and communities. We respect and promote physical and digital human rights within our organisation and throughout the value chain, contributing to positive social impact.	Undertake periodic consultations and roadshows with civil society and communities. Participate in civil society and community forums and programmes, while also complementing this with *ad hoc* community visits. Website updates on community investments, roadshows and the Y'ello Care Programme.
Product and customer experience	71%			
Business performance and financial results	82%			

Survey Results

Reputation (how well we meet expectations)	Reputation health	Trust
80%	78%	79%

Stakeholders with whom we partner to create value continued

Investment community

Why we engage

Provides debt and equity funding to secure sustainable and attractive total shareholder returns.

Assessment used

RIS

Affected SDGs

What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Business performance and financial results	73%	The financial resilience of the Group and our ability to navigate volatility in our operating environments across our markets is a key area of interest for the investment community. Our ability to execute on ***Ambition 2025*** targets – with a particular focus on the fintech and fibre businesses – is a key catalyst for our investors. Of concern, with regard to performance, is the perceived risk in some African markets, but investors acknowledge that despite these instabilities we remain resilient.	Consistent and transparent communication on financial performance, initiatives are in place to mitigate against the prevailing global macroeconomic uncertainty and timeously updating the investment community on corporate actions. These actions resulted in MTN receiving a Merit award in the Top 40 category at the 2023 CGISA/JSE Integrated Reporting Awards and maintaining an 'Excellent' rating at the EY Excellence in Integrated Reporting 2023 awards for the second year in a row. Lastly, The 2022 Integrated Report was also recognised by the International Finance Corporation (IFC) as a leading example of good international practices in the field of integrated reporting. MTN was ranked in the top five in the 2023 Intellidex Investor Relations Survey. Capital market days in 2023, hosted by the MTN Group and MTN Nigeria, where we unpacked the progress made on our strategy, detailed our prospects and our plans for the MTN of tomorrow. Our annual governance roadshow gave investors the opportunity to engage with the Group Chairman, lead independent director and social, ethics and sustainability committee Chairman on remuneration, governance, ESG, strategy and risk. Improved and deepened stakeholder intelligence is being undertaken so as to better handle the perceived risks and instabilities in some African markets. Accelerated engagements are planned for our investor community to better align expectations and realities.	Meetings, webcasts, roadshows, conferences. Interim and annual results presentations, quarterly trading updates and capital market days. Annual governance roadshow. SENS announcements, our investor relations mailbox and investor website page. Perception audits and dipstick surveys. Integrated annual report.
Calibre of leadership team	82%			
Compliance with legislation and regulations	84%			

Survey Results

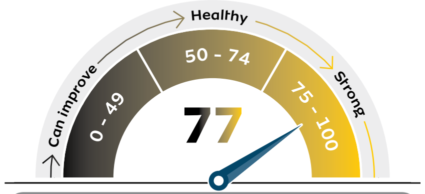
Reputation (how well we meet expectations)	Reputation health	Trust
76%	80%	74%

Stakeholders with whom we partner to create value continued

Subscribers/customers

Why we engage

Purchase competitive and reliable products and services.



Quality of engagement

Assessment used

RIS

Affected SDGs

What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Product and customer Experience	73%	Similar to government, regulators and policymakers and civil society, subscribers and customers have the perception that the reach and quality of the network could be better, scoring the product and customer experience below the corporate target of 75. Subscribers and customers would also like to see a more proactive engagement, visibility and direct communication with them, beyond marketing campaigns. Subscribers and customers highly rate our performance and contributions to society.	We are actively addressing the coverage and reliability of our network through investments directed at continuously improving the network. We are also accelerating direct interface and engagements with our subscribers and customers, updating our systems and applications for greater billing transparency.	On-the-ground engagement by our Y'ello experience agents in communities across our markets. Ongoing interaction via various digital channels and on social media to make it easier for our customers to engage with us. In-market campaigns and trade activities. Increasing use of our pro-customer framework, with the tagline: "We listen. We care. We do."
Business performance and financial results	82%			
Impact on socioeconomic development	80%			

Survey Results

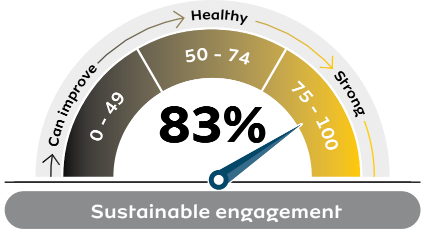
Reputation (how well we meet expectations)	Reputation health	Trust
78%	77%	80%

Stakeholders with whom we partner to create value continued

MTNers

Why we engage

Provide skills required to deliver on our strategy and purpose.



Assessment used

Group Culture Audit (GCA) and Sentimeter

Affected SDGs

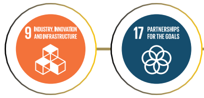
What matters most to them	How we are doing	Summary of issues	Our response	How we engage
Impact of leadership, communication, and diversity actions	Employee sustainable engagement score **83%**	Our work around diversity, equity and inclusion (DEI) is never done. DEI continues to inform everything we do and our progress and efforts in championing equality for women and doing better for people with disabilities. Investing in our future talent pipeline, MTN's women in STEM-workforce partners with tertiary institutions to give opportunities for real-life problem solving. Talent development is spread across making sure MTN has the critical capabilities required to deliver on our ambition, future-proofing skills to make our people consistently relevant and mapping career journeys to grow people into our high focus areas. This effort has been underpinned by a change in training platform and course providers to offer the latest in terms of digital learning. In 2023, we launched our refreshed values, dubbed Live ***Y'ello***. Our refreshed values are one of the many ways we continue to embed inclusion as a culture, and hold ourselves accountable for how we show up and act at all times. These refreshed values have been launched across the markets and continue to be woven into the fabric of MTN and its people.	Over the years, we have launched several initiatives to support our DEI agenda. We have made significant strides to engage our people on a journey that is educational, empowering and most of all, creates a sense of inclusion and, belonging. Our commitment is reflected in our targets, performance agreements and by weaving our efforts into the business and its processes. We have targeted measures to attract and grow critical capabilities and encourage our female talent to drive their careers to disciplines in STEM. A strong gender-proportionate succession pipeline remains a priority. Our successors are aided with personalised development programmes and on-the-job exposure for real-life challenges to prepare them theoretically and in practice. We continue the rollout of our refreshed values through training, leadership-led sessions and embedding the values into how MTNers get things done.	We use various methods to communicate with and engage employees globally. Our Group Culture Audit and our Sentimeter pulse survey give employees a voice. Our annual Group Leadership Gathering brings together over 400 senior staff to engage and ignite our future together. This is shared meaningfully across the Group through 'Open Sessions' with leadership and in other interactive formats ranging from communications, campaigns and podcasts. These enable us all to continuously engage on priorities, our position on key issues, and foster a connection to our culture and business. We also promote a culture of appreciation and of learning through an online digital recognition platform and multi-channel learning platform.
Their belief and connection to the goals and objectives of MTN	Leadership **75%**			
Safeguarding their health and wellbeing	Employee NPS^ **52%**			

^ *A composite index of promoters and detractors. Many organisations approach Employee NPS as a singular dimension that only measures 'Place to Work'. We prefer a more comprehensive approach, assessing MTNers' confidence in recommending: MTN as a place to work; their supervisors; and MTN products and services to family and friends.*
Our 'Place to Work' NPS is 47%. The global average benchmark is 39% across industries, 41% in the tech industry and 37% in the finance industry.

Stakeholders with whom we partner to create value continued

CASE STUDY

Partnerships for progress



MTN Group President and CEO with President Kagame, Minister Ingabire and the G6 CEO in Kigali

G6: Partnership with the GSMA in Africa

The third edition of the Mobile World Congress Africa was hosted by the GSMA in October 2023 in Kigali, Rwanda.

It occurred at a time of growing geopolitical polarisation and conflicts on the continent. Although African economies have been challenged by foreign currency availability, inflation and high debt, there was some cautious optimism with the African Development Bank (AfDB) projecting 4.1% growth for 2023/24 against a 2.6% global growth outlook.

From an ICT sector perspective, the Congress noted the lack of digital literacy and access to technology had exacerbated existing disparities in education, healthcare, agriculture and economic development, thus perpetuating poverty and inequality.

Technology and innovation are critical ingredients to help Africa develop. The CEOs of six of Africa's largest MNOs and Smart Africa convened to consider opportunities and challenges for deeper partnerships with African governments to drive digital and financial inclusion.

The CEOs presented a communique to HE Paul Kagame, the President of the Republic of Rwanda, as a champion for AU reforms and Smart Africa. The CEOs called on African leaders and policymakers to partner on digital development with the mobile industry by reimagining existing structures and developing targeted new policies that accelerate the positive and inclusive impacts of mobile technologies to close the investment and usage gaps.

The three-pronged advocacy strategy and common platform focuses on:

- **Tax rationalisation** for the mobile industry through the development of targeted fiscal policy reforms that support economic growth and digital development, deepening digital and financial inclusion and aligned with national targets. (For example, removal of tax on low-cost smartphones and sector-specific tax).
- **Regulatory support** to implement the recommendations of the UN Broadband Commission's '21st Century Financing Models for Bridging Broadband Connectivity Gaps' to promote investment models for digital infrastructure, which include all digital economy beneficiaries.
- **Climate action** policies to improve access to renewable electricity for corporate buyers are essential for the mobile industry to achieve its climate targets.

Risk Management and Compliance Committee Chair's review

"Reflecting on the year, MTN's integrated risk management approach has proven indispensable in addressing emerging global risks, from cybersecurity threats to supply chain disruptions. Our proactive stance on risk preparedness has been key to sustaining our market leadership and delivering on our strategic priorities."

Key features of 2023

- Made extensive progress in fintech resourcing.
- KRIs across Opcos, informing tolerance levels and resource allocation.
- Modified the ERM maturity model to ensure suitability and effectiveness.
- Rigorously confirmed Opco maturity levels through evidence-based assessments, ensuring an enhanced and fit-for-purpose risk management landscape.
- Achieved a favourable Group insurance programme renewal outcome, with a modest premium increase of 4.5%.
- Improved overall Group business resilience index.
- Enhanced compliance maturity across the Group with the majority of our markets have progressed significantly over the past year and are now functioning at leading levels of maturity. This marks a substantial step towards strengthening our compliance posture. Opcos on track to achieve a leading maturity state: a significant step towards strengthening our compliance posture.
- Conduct executive crisis simulation exercises, improving crisis response capabilities and resilience indices across multiple Opcos.
- Reviewed and updated Group crisis management and distributed denial-of-service (DDoS) crisis contingency plans, alongside Opco-specific security and medical emergency evacuation plans.
- Established in-house competence and resources, as well as a panel of external providers, for desktop due diligences, and know your customer (KYC) and business partner information.

Key focus areas for 2024

- Implement a control self-assessment methodology to empower the first line with enhanced control capabilities.
- Familiarise teams with risk and control taxonomy to integrate line testing results more effectively into the combined assurance framework.
- Update the risk appetite and preference framework, including a review of risk categories and tolerance levels.
- Revise Group ERM policy and methodology to reflect best practice and operational needs.
- Refine compliance methodologies and align metrics to set a new direction for compliance excellence.
- Redesign MTN Group insurance approach to meet evolving business requirements.
- Optimise cell captive and consider additional funding options, alongside exploring dividends and shareholding for Opcos.
- Conduct business resilience benchmark assessments for continuous improvement.
- Explore AI-powered tools for external horizon scanning and reporting to anticipate and react to global risk trends more effectively.
- Continue to embed data privacy and protection controls as a key business imperative for a competitive advantage.

Chair
Shaygan Kheradpir

Members	Meetings Scheduled	Meetings Special
Shaygan Kheradpir	4/4	1/1
Noluthando Gosa	4/4	1/1
Nosipho Molope	3/4	1/1
Stan Miller	4/4	1/1
Nicky Newton-King	4/4	0/1
Tim Pennington	4/4	1/1
Lamido Sanusi	4/4	0/1

All members are independent non-executive directors.

Special meetings are scheduled on an ad hoc basis and at short notice to address urgent matters. Due to the nature of these meetings, it is not always possible for all directors to attend.

By invitation: Chair of the Audit Committee, Group President and CEO, Group Chief Financial Officer, Group Chief Risk Officer, Group Chief Operating Officer and the external auditor.

Mandate:
The committee's work includes providing oversight on the identification, monitoring and mitigation of existing and emerging risks and opportunities as well as on compliance matters.

How we manage risk

Effective risk management is the cornerstone of our enterprise, ensuring operational integrity and fostering excellence.

Our risk management approach

At MTN, we adopt a holistic approach to risk management, integrating it across our entire organisation to empower management in actively identifying and addressing risks and opportunities affecting our strategic and operational goals. We prioritise risk management as a fundamental skill, fostering a risk-aware culture through top-down, bottom-up and emerging risk scanning methods. This approach guarantees comprehensive coverage, alignment with our business scale and the efficacy of our mitigation strategies, focusing on the most significant risks after considering potential event likelihoods, impacts and the strength of current mitigations and controls.

The MTN Board and its committees are committed to thorough oversight of our integrated risk management framework, engaging consistently with management to cover a broad range of activities and affirm risk management effectiveness.

Furthermore, Opco-level risks receive detailed attention at both the Opco executive committees and Opco audit and risk committees, ensuring local concerns are adequately addressed and integrated into our wider risk management strategy.

Our risk management approach

Top-down approach

Identifies strategic-level risks and cascades these downwards

Enables top management to make better risk-based decisions

Bottom-up approach

Identifies risks at a process, functional operational level

Drives robust risk management across the enterprise

Emerging risk scanning

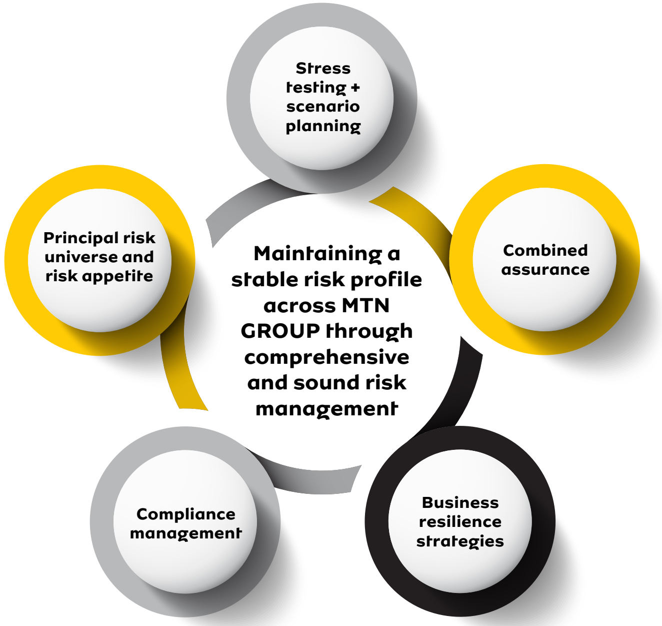
Supports our proactive strategy focused on continuously identifying and assessing new risks before they fully materialise, helping MTN stay ahead of potential threats and adapt accordingly.

MTN Group principal risks

Mitigation actions

Board review and approval

Based on risk appetite enabling informed risk-based review



How we manage risk continued

Principal risk universe and risk appetite

A critical aspect of ERM is employing a structured principal risk universe. Initially, this risk universe establishes a two-level categorisation system, facilitating consistent risk mapping across all Opcos through bottom-up integration, ensuring uniformity. Simultaneously, from a top-down viewpoint, it aids management in ensuring that risk identification is exhaustive. Being dynamic, the principal risk universe undergoes regular updates to align with shifts in strategy, structure and operations.

MTN's risk appetite framework and related declarations are made actionable by assigning specific risk preferences to each principal risk. This process is crucial for defining mitigation strategies and allocating resources effectively. For each principal risk, we formulate KRIs and establish tolerance thresholds to actualise and implement the Board's risk appetite directives.

Furthermore, we integrate risk appetite and tolerance thresholds within our business planning and decision-making processes. This integration is vital for adapting to an ever-changing business landscape and ensuring our exposure to risk remains within our predetermined preferences, especially as we aim to achieve our ***Ambition 2025*** objectives.

Stress testing and scenario planning

Beyond categorising risks and identifying principal risks for thorough risk detection, our proactive risk management approach integrates stress testing, reverse stress testing, and catastrophic scenario analysis. We subject various budget aspects at both the Opco and MTN Group levels to stress testing, creating high-level response strategies for each potential situation. The catastrophic scenarios we examine include significant devaluation in a key market's currency, challenges in renewing licences or facing nationalisation in key markets, the collapse of a major network provider, a debilitating cyber-attack on extensive network sections, and swift technological shifts from traditional voice services to data/digital platforms. We also conduct reverse stress tests to identify conditions that could precipitate a severe liquidity crunch, reinforcing our commitment to robust and anticipatory risk management.

Compliance management

Our dedication to a proactive compliance strategy led to enhancements in our compliance programme, ensuring adherence to obligations and anticipation of potential risks. We prioritised compliance monitoring and testing, assessing the robustness of our control environment. Our commitment was evident in the advancement of our internal control improvement programme. We also made significant progress in executing our data privacy initiative and augmenting data protection protocols. Moreover, we intensified efforts to verify trade partner compliance, emphasising the importance of maintaining high compliance standards across all partnerships.

Business resilience

We dedicate our efforts to fostering a business continuity culture and enhancing resilience maturity across our markets, efforts that have been instrumental in sustaining our ISO 22301 Business Continuity Management certification in key markets. Our ongoing investment in various initiatives aimed at bolstering our recovery capabilities underscores our commitment to preparedness and adaptability throughout MTN. Specifically, we have implemented a robust network resilience improvement plan in South Africa to augment network availability and service continuity during loadshedding. Additionally, our proactive plan to eliminate single points of failure in our network infrastructure has significantly bolstered overall network resilience, minimising vulnerabilities and ensuring uninterrupted service delivery. In response to global macroeconomic fluctuations, port congestion and supply chain vulnerabilities, we executed a targeted supply chain resilience plan. We also engaged in comprehensive executive crisis simulations to evaluate and enhance our company's response strategies, gleaning critical insights that informed the refinement of our crisis management protocols. Furthermore, our intensified efforts in threat monitoring and risk intelligence, through external risk horizon scanning, have enabled us to detect and forecast emerging trends and potential threats, facilitating timely and effective risk mitigation.

Combined assurance

MTN adopts a combined assurance approach to improve and maximise the effectiveness of risk, governance and control oversight in risk management. This guarantees that the range of assurance services, offered by both internal and external entities, effectively covers the significant risks the Group confronts. It also aims to confirm that appropriate controls are in place to mitigate these key risks within established risk thresholds.

Top risks to value creation

Principal risk categories

Strategic
- Strategy and execution.
- Regulatory and stakeholders.
- Products and innovation (telco, digital and fintech).
- M&A, divestitures and strategic partnerships.

Governance
- Compliance.
- Internal control environment.
- Fraud and financial crime.
- Governance.
- Environmental, social and ethics.

Financial
- Financial markets.
- Liquidity and funding.
- Tax.
- Financial accounting and reporting.
- Credit risk.
- Financial performance and returns.

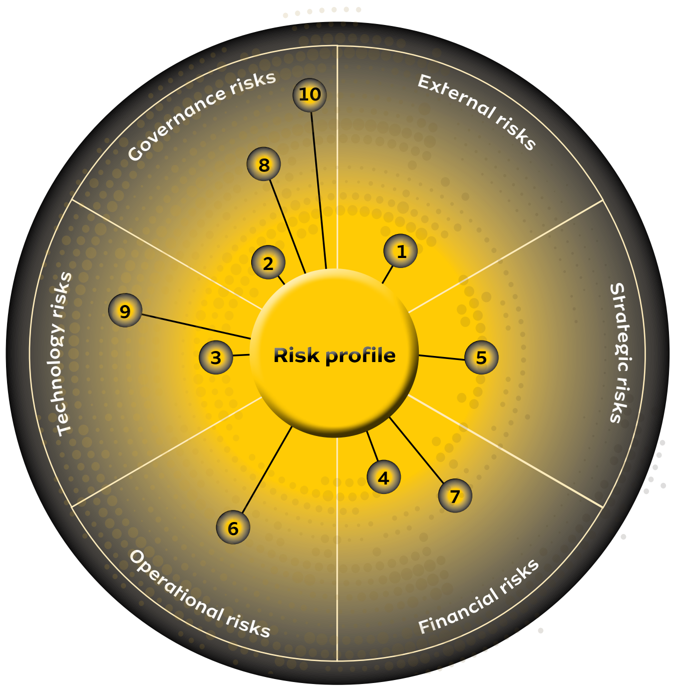
Technology
- Network.
- Information technology.
- Information security.

Operational
- Supply chain.
- Sales and distribution.
- Customer experience.
- Continuity risk.

External
- Competition.
- Legal.
- Political and macroeconomy.

Our top ranked risks in 2023

2023	Risk	2022
1	Challenging political and macroeconomic conditions	1
2	Increased regulatory pressure	2
3	Cyber and information security risks	4
4	Increased tax-related uncertainty	3
5	Strategy and execution	7
6	Supply chain	6
7	Liquidity and funding	5
8	Compliance	8
9	Network and spectrum cost and availability	10
10	ESG issues	9



Top risks to value creation continued

1 Challenging political and macroeconomic conditions

Relevant material matters

MM 1, MM 3, MM 4, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

MTN navigates a landscape shaped by varied macroeconomic and geopolitical forces. In 2023, these challenges included elevated inflation, rising interest rates significant forex volatility and rising energy expenditure. These were intensified by South Africa's power grid issues and the sharp depreciation of the Nigerian naira, adversely impacting investor confidence through currency devaluation, growing debt service burdens, and increased regulatory scrutiny. Foreign currency denominated capex commitments and Holdco debt in foreign currencies introduce further financial challenge. Moreover, forex shortage, particularly in Nigeria, impacts cash upstreaming planning.

Geopolitically, MTN's operational context is influenced by conflicts such as the Russia-Ukraine war and Middle East tensions, which bear consequential risks for global diplomacy and commerce, potentially driving up energy prices and disrupting global supply chains. The prospect of national elections across several MTN markets in 2024 raises concerns over physical security and social stability, essential for the protection of employees and customers and the achievement of strategic aims. In addition, regional instability poses direct and indirect challenges. The anticipated further depreciation of the naira in 2024 is likely to trigger another inflationary wave, underscoring the critical impact of macroeconomic and geopolitical risks on MTN's strategic objectives to deliver services, drive growth and maintain financial health.

Doing through mitigation and controls

- Continued monitoring of political and economic shifts in high-risk markets, employing scenario planning and sensitivity analysis to bolster our strategic responses.
- Establish and uphold robust business continuity strategies to safeguard operational resilience.
- Leverage available foreign exchange strategies to mitigate currency exposure risks.
- Secure ample committed financing facilities, ensuring each Opco can independently withstand market volatilities and sustain self-funding principles.
- Prioritise the safety of our workforce and the security of our assets, ensuring uninterrupted business activities through stringent continuity management.
- Adhere rigorously to global sanctions regulations, ensuring all operations remain within legal and ethical boundaries.
- Conduct regular stress testing of our business plans against currency fluctuations to gauge potential impacts on profitability and shape informed strategic adjustments.
- Increase the proportion of local currency obligations within Opcos to minimise vulnerabilities associated with exchange rate fluctuations.
- Where feasible and judicious, transition significant contractual agreements to local currency denominations to lessen forex risks.
- Facilitate the repatriation of dividends whenever conditions are favourable, enhancing financial flexibility and shareholder value.

Doing in 2023

- Addressed macroeconomic challenges with focused initiatives such as supply chain advances.
- Supported public-private partnerships and government programmes for socioeconomic advancement.
- Boosted business resilience to meet targets.
- Integrated political and economic analyses into risk and contingency planning.
- Conducted stress tests for financial ratios and business plans against currency fluctuations.
- Replaced trade lines with cash-backed letters of credit to lessen forex risks.
- Applied hedging for foreign currency expenses and investments.

Opportunity

To address macroeconomic uncertainties around inflation, interest rates and currency volatility, MTN will continue ***Ambition 2025*** initiatives relating to expense efficiencies and containment.

Macro and geopolitical impacts on global supply chains reinforce the importance of initiatives to reduce supplier concentration risk and to modernise network elements better in the face of catastrophic supply chain shocks.

In the telco sector in general there is opportunity to enhance the positioning of our products and services as critical to national infrastructure and digital human rights.

Top risks to value creation continued

2 Increased regulatory pressure

Relevant material matters

MM 2, MM 3, MM 4, MM 5, MM 6, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

MTN operates in a highly regulated sector with regulatory decisions and policies shaping our operating environment. Like all telcos globally, MTN has to comply with sector regulations and laws. These include licence obligations, regulatory prescriptions, data privacy and governance laws, quality of service (QoS) performance indicators, SIM registration and KYC requirements. Recent macroeconomic and geopolitical developments have resulted in more pronounced regulatory risks such as capital management and sanctions in some markets. MTN prioritises compliance with various laws and regulations as part of our corporate governance framework. We have a proactive regulatory approach supported by cross-functional collaboration.

Doing through mitigation and controls

- Invested in capacity to generate evidence-based research and analysis which guides our regulatory engagements.
- Proactive and cross-functional review of emerging risks and challenges allowed MTN to reduce residual regulatory risks.
- Collaboration with international and sector organisations to enhance our regulatory engagement efforts.
- Implemented a macroeconomic framework that supports internal decision making and facilitates engagement on regulatory and public policy issues.
- Active engagement with industry bodies such as the GSMA and its subgroups for guidance and best practice in relation to spectrum identification and assignment, electromagnetic field (EMF) safety standards, excessive fees and QoS.
- Adherence to localisation obligations.
- Regulatory and industry advocacy, including around competition policy. We undertake research and analysis of emerging technologies and the fairness of treatment of new market entrants from a competition and regulatory enforcement perspective.
- Strict compliance with laws and regulations and continuous enhancement of compliance testing programmes.
- Opco support including advice, guidance and research on key risk issues and events to mitigate risk and ensure the effective resolution of issues.
- Continued capacity building and development of tools, e.g. playbooks and knowledge sharing.
- Engaging stakeholders on the identification and release of 5G spectrum and the repurposing of spectrum bands where services have become obsolete.
- Strong advocacy at the International Telecommunication Union's World Radiocommunication Conference 2023 (WRC-23) to ensure recognition of pan-African spectrum challenges and requirement for additional spectrum identification for 5G.
- Develop regulatory approach or the issue of dual regulatory oversight of our fintech activities. Through GSMA, we support Opcos to ensure understanding between telecoms and financial services regulators.

Doing in 2023

- Further developed support frameworks, including one for regulatory advocacy to enhance Group outcomes from our regulatory engagements.
- Implemented cross-functional capacity development projects including on competition policy, macroeconomic policy and refreshed licence renewal processes.
- Increased resourcing to enhance regulatory approach and public policy capability.
- Oversaw spectrum auctions and bid applications in Sudan and Uganda to safeguard future spectrum reserves and to prevent unforeseen need to commit additional capex due to traffic increase-spectrum shortage situations.
- Attended WRC-23 in Dubai and provided inputs which led to the identification of further spectrum in 3.5GHz as well as upper 6GHz, which will enhance MTN's spectrum asset base to support initiatives under ***Ambition 2025.***
- Performed a deep dive spectrum strategy across 15 Opcos for the next 10 years plus to determine the optimum spectrum-technology mix per Opco per year, in order to minimise QoS failures and pressures on capex for site construction.
- Progressed incorporation of FibreCo for separation entities.
- Became involved with the work of the ITU-T, specifically the standards body responsible for determining realistic QoS benchmarks and targets. We hope to drive the dialogue around QoS determination to be cognisant of developing markets' logistical challenges and how these could be accommodated inside of best practice in specifying obligations of current and future operating licences.
- Towards the end of 2022, MTN Group adopted a self-developed EMF policy. In 2023, we worked to familiarise all Opcos with the policy's principles and best practices. With the adoption of the policy, the GSMA recognised MTN as a developing market leader in this regard.
- Focused on technology neutrality, particularly reframing older spectrum bands and technologies to enable increased capacity across our markets, where relevant. Continued to monitor traffic migration from 2G/3G to 4G to determine optimum points in the future when we gradually sunset legacy technologies such as 2G and 3G while minimising the customer impact.
- Managed SMP issues in markets including Ghana, Benin and Rwanda. Continued to engage with in-country authorities on market developments.
- Invested significant resources in research projects including on taxation, regional roaming, Mobile Money taxes, and investment gap.
- Supported FinCo regulatory-related issues, including licensing as part of ***Ambition 2025*** and the anti-money laundering and combating the financing of terrorism (AML/CFT) skilling programme.

Opportunity

Continued regular engagement with relevant policymakers, including regulators and industry bodies on existing and emerging regulatory matters, leveraging our strong regulatory compliance culture.

Remain an active participant in regulatory policy design and advocacy, working with policymakers and industry bodies such that we anticipate market developments and help shape the African regulatory ecosystem.

Top risks to value creation continued

3 Cyber and information security risks

Relevant material matters

MM 2, MM 3, MM 6, MM 7, MM 8, MM 9, MM 10

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues	Doing through mitigation and controls	Doing in 2023	Opportunity
Cybersecurity is a priority as cyber-attacks become more sophisticated. A cyber-attack aimed at MTN could lead to service interruption and the infringement of personal and confidential data. This could lead to significant business interruption and expose MTN to reputational damage, and also negatively impact subscribers.	• Ensure adequate monitoring and reporting on performance against milestones in the Group's information security plan. • Continue to strengthen our incident detection and response capabilities. • Review and enhance security governance and operational structures. • Continued investment in the upgrade of the security environment. • Enhance and simulate playbooks for the management of security crises. • Continued implementation of strategic programmes to fast-track implementation of security capabilities. • Develop capabilities to address third-party security risk and compliance management. • Deploy security awareness campaigns and skills development initiatives.	• Ongoing implementation of information security strategy in support of *Ambition 2025*. • Conducted Exco-level information security crisis simulations across the MTN footprint. • Continued security assessments on various MTN systems to proactively identify vulnerabilities requiring remediation. • Enhanced Fintech information security structures to support the continued deployment of fintech security capabilities. • Defined and deployed additional technical security standards and reference architectures. • Established a dedicated Group security threat intelligence capability. • Deployed various security detection, response and monitoring solutions. • Continued inclusion of revised information security annexure in new and/or renewal of third-party contracts.	Deployment and optimisation of integrated and scalable security capabilities to drive a mature security posture.

4 Increased tax-related uncertainty

Relevant material matters

MM 1, MM 2, MM 4, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues	Doing through mitigation and controls	Doing in 2023	Opportunity
Taxation laws are dynamic and influenced by domestic and international tax reforms. Significant tax risks currently encompass increased transfer pricing audit activity and the implementation of global tax reforms known as the OECD's Base Erosion and Profit Shifting initiative incorporating the Pillar 1 and Pillar 2 reforms. The increase in tax audits, along with macroeconomic and geopolitical pressures, often lead to revenue authorities' intensified scrutiny of multinational enterprises. This poses additional challenges as MTN strives to balance tax operational compliance and strategies with heightened scrutiny of prolonged audits.	• Present compelling stance to tax authorities about tax matters. • Allow for tax provisions where necessary. • Ensure accurate implementation of tax guidelines. • Enhance controls for notifications of changes in law and judicial interpretation and effective tax planning. • Ensure an effective tax risk management system through the application of our robust tax approach and policy and alignment with Group risk management principles. • Obtain limited assurance LA on our total tax contribution, which is detailed in our Tax Report TR. • Enhanced technical competencies in tax and regulatory matters across the Group. • Enhanced use of automation to increase efficiencies in the tax compliance process.	• Enhanced structures at and concerted support from the Group on regulatory and tax issues. Participated in stakeholder consultations where new tax regimes were proposed to avoid the incidence of multiple taxation. • Proactively reviewed and implemented systems and processes to ensure compliance with Pillar 2 requirements and UAE corporate tax rules. • Ensured robust revenue and tax management processes were in place and regularly consulted tax advisers to understand the impact of our operating environment. Where necessary, sensitised MTN stakeholders on this impact. • Introduced proactive measures such as enhanced revenue assurance on tax compliance.	The dynamic tax landscape presents MTN with an opportunity to lead in tax transparency and compliance and proactive assessment of the impact of Pillar 2 on the MTN Group. By proactively engaging with revenue authorities and investing in team upskilling, MTN can navigate audit pressures effectively, aligning with ethical business practices and gaining a competitive edge.

Top risks to value creation continued

5 Strategy and execution

Relevant material matters

MM 2, MM 3, MM 4, MM 5, MM 6, MM 7

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

Our rapidly evolving industry and diverse markets elevate risks, including the complexity of establishing a cohesive strategic vision and ensuring organisational alignment. MTN is also required to recognise and capitalise on market-specific opportunities. Executing complex strategies, such as segmenting off a fintech operation, necessitates advanced programme and project management, along with agile change management. Strategy risk involves the potential of strategic plans not achieving their intended outcomes, possibly due to misalignment with broader objectives or market dynamics. Execution risk, in contrast, refers to the obstacles in realising these strategies or resource misalignments.

Doing through mitigation and controls

- An annual strategy and business planning process:
  - Board strategic reviews in March/April.
  - Board approval of strategic updates in June/July.
  - Board budget approval in November.
- Formulate and track comprehensive resource allocation and functional KPIs for strategic priorities.
- Align individual performance metrics with strategic priorities.
- Communicate comprehensively on strategic intent.
- Ensure well-established capital projects management.

Doing in 2023

- Ensured that ***Ambition 2025*** was well embedded.
- Entrenched monthly Exco priority programme tracking and reporting on 17 strategic programmes, ensuring tight management and delivery. Set up special steering committee governance structures to ensure delivery of all priority programmes.
- Ensured that the ***Ambition 2025*** risk universe and related mitigations were well understood.
- Progressed structural separation processes: fintech separation completed in early 2023 and fibre separation due in 12 to 24 months.
- Finalised the Mastercard minority investment into Group Fintech, constituting a key third party endorsement of the opportunity.
- Worked on establishing and growing our strategic partnerships to enhance our value propositions and our Africa footprint. Established key partnership for acceleration of digital and cloud transformation.
- Progressed evolution of our talent base to deliver on ***Ambition 2025***.
- Progressed the planned exit from Afghanistan.

Opportunity

By adopting our coherent and well-executed strategy, we at MTN position ourselves to become a future-ready organisation that excels in execution while adhering to our core value and commitment to digital and financial inclusion in Africa.

This is key for MTN as we advance our ***Ambition 2025***, ensuring alignment across our operations and fostering a culture of excellence.

Such a strategy not only amplifies MTN's market presence but also catalyses our journey toward innovation and sustainable growth, turning strategic intent and operational efficiency into key drivers for long-term success and shared value.

Top risks to value creation continued

6 Supply chain

Relevant material matters

MM 1, MM 2, MM 4, MM 8

Relevant capitals

Financial, Human, Manufactured

Principal risk and risk issues

MTN is navigating a complex supply chain risk environment impacted by trade volatility, geopolitical tensions, and the aftermath of the epidemic. We are dealing with rising expenses brought on by increases in the price of raw materials and disruptions in logistics. The situation in the Red Sea is especially urgent because Houthi rebel activities are endangering vital shipping routes, most notably the Suez Canal, which is a vital conduit for international trade and communication networks. The re-routing of ships around southern Africa considerably lengthens transit times and raises shipping costs, which may influence the price of imported telecom equipment and overall industry inflation. The possible risk of sabotage of undersea global internet cables in the Red Sea could lead to disruption of data and financial communications between Europe and Asia. Inflation and currency devaluation in our markets poses further risks to supplier payments. These kinds of circumstances emphasise the need for sophisticated risk management and the development of all-encompassing contingency plans to deal with possible delays in procurement, spikes in costs, and the requirement for adjustments in logistics. To add to the complexity, the ever-changing landscape of cybersecurity threats and regulatory requirements highlights the necessity for a flexible and robust supply chain strategy to maintain operational dependability and consistent service.

Doing through mitigation and controls

- Boost supply chain diversity.
- Monitor trade policies.
- Engage in strategic partnerships.
- Synchronise and streamline operational tasks to yield both qualitative and financial benefits, such as providing real-time, comprehensive supply chain visibility and enable flexibility in reaction to dynamic markets and major events.
- Development of supply chain operational strategies, implementation of robust risk management practices, end-to-end supply chain planning, and establishing oversight of large and complex capital-intensive projects.

Doing in 2023

- Updated supply chain resilience programme to review the impact of unpredictable events such as regional conflicts, trade route and port congestion, and raw material shortages.
- Defined pre-emptive actions on upstream supply chain, freight and commodities to minimise the impact on operations.
- Expanded business resilience controls on supply chain to include tracking of purchase orders, supplier risk management, payment terms and local market risks.
- Ensured closer collaboration with suppliers to understand supply chain challenges, detect disruption risks and take proactive measures on the risks pertaining to the upstream supply chain, freight, supplier-specific constraints and the ringfencing of MTN-specific demand to ensure continuous supply to MTN.
- Communicated updates and early warnings to internal stakeholders through regular supply chain newsletters.
- Developed risk models and monitoring systems to support the supply chain resilience programme.
- Further developed our digital solutions platform to include new capabilities such as expansion of our supply chain control tower with order management systems of additional suppliers to monitor shipments in real time and intervene based on proactive alerts.

Opportunity

MTN has an opportunity to succeed in supply chain robustness as a result of our experience with the Red Sea interruption and broader supply chain vulnerabilities.

By turning these challenges into strategic opportunities, MTN can improve our own sourcing and logistics approach and position ourselves as the industry leader in supply chain resilience for telecommunications.

This proactive approach enables the introduction of new supply routes, strategic supplier relationships and reinforced risk mitigation strategies, all of which can result in improved operational effectiveness and reduced exposure to supply chain constraints.

Ultimately, these developments may result in important advantages including lower costs, more dependability and a stronger position in the market, reaffirming MTN's dedication to quality and resilience in a challenging global environment.

Top risks to value creation continued

7 Liquidity and funding

Relevant material matters

MM 1, MM 4, MM 5, MM 7, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

Apart from generating profitable returns, it is vital for Opcos to generate sufficient cash and have optimal capital structures to fund capital-intensive programmes and repatriate earnings to the Group.

Execution risk on our ARP or an inability to secure sufficient liquidity for upcoming maturities heightens refinance risk. The availability of hard currencies in Nigeria and Ghana remain a key challenge, impacting the amount of cash upstreamed to Holdco.

Doing through mitigation and controls

- Focus on attaining double-digit growth in constant currency service revenue as well as improving EBITDA margins.
- Continue to implement our smart capex agenda.
- Proactive management of capex intensity.
- Prioritise securing ARP proceeds to improve the Holdco leverage and reduce forex volatility caused by excessive hard currency debt.
- Continue optimising the Holdco rand:dollar debt mix.
- Optimise the Holdco debt and maturity profile to mitigate refinance risk and ensure sufficient liquidity to meet the Group's needs.
- Maximise local currency debt in Opcos for capex to optimise capital structure and reduce forex risk.
- Optimise excess cash balances in Opcos and cash upstreaming to the Group.
- Ensure that Holdco leverage remains within the target range.
- Maintain adequate and sustainable headroom, liquidity ratios and buffers to navigate through a liquidity stress event.

Doing in 2023

- The Holdco leverage is estimated to be 1.41 times at the end of 2023 compared to 0.8 times Holdco leverage in December 2022. This is mainly as a result of a lower amount of cash upstreamed from Nigeria and Ghana.
- Reduced dollar debt with early redemption of US$353m of US$450m Eurobonds that were due in 2024.
- Brought down MTN's dollar-denominated debt to 33% (2022: 36%) vs target of a 40:60 split.
- Focused on securing rand-denominated long-term debt at the Holdco. Closed R6.5bn facility with South African banks for MTN Mauritius. Raised R3bn under the DMTN programme, enabling us to improve our maturity profile and refinance debt maturities.
- Renewed US$775m revolving credit facility for a further five years, supporting Holdco liquidity position.
- Reported Holdco liquidity headroom of R44.1bn.
- Complied with all Group debt covenants at end 2023. However, finance costs increased due to currency depreciation in Ghana and Nigeria and general increase in cost of borrowing during 2023.
- Maintained S&P Global Ratings' MTN Group rating of "BB-". Outlook remains stable.

Opportunity

Cash upstreaming supports improved Holdco liquidity and leverage. Local currency funding and diversified investor base provide stable source of liquidity. The disinflation trends and expected decline in interest rates will reduce the cost of raising funds. Further repayment of dollar debt will improve our currency mix of debt.

8 Compliance

Relevant material matters

MM 2, MM 3, MM 6, MM 7, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

Navigating diverse compliance requirements across multiple markets within evolving and complex regulatory landscapes adds to the challenge of staying ahead of developments while ensuring compliance.

Additionally, anticipating and responding to geopolitical events, economic downturns and public health crises requires agility and resilience to effectively maintain compliance.

Doing through mitigation and controls

- Strengthen our compliance maturity and enhance our internal controls environment.
- Drive essential policy development, localisation and implementation across the Group.
- Enhance compliance monitoring practices for early detection of any potential non-compliance.
- Engage with regulators to ensure clear, concise and unambiguous regulatory requirements.
- Sustain our focus on privacy best practice by maintaining stringent data privacy controls and integrating data privacy considerations at the start of all new initiatives.
- Focus on partner trade controls and enhancing compliance.

Doing in 2023

- Increased level of compliance with applicable laws, regulations and standards through proactive risk-based monitoring.
- Enhanced compliance maturity across the Group, with majority of Opcos operating at a leading maturity state.
- Enhanced internal control improvement programme and framework to strengthen the internal control environment.
- Focused on policy localisation and implementation across the Group.
- Accelerated the data privacy programme to ensure compliance with all data privacy requirements and identify any data privacy risks.
- Increased focus on partner trade compliance and sanctions.
- Enhanced due diligence, screening and onboarding processes.
- Horizon scanning new and rapidly emerging regulations and other external obligations.

Opportunity

Through proactive risk analysis and strategic compliance planning, MTN is able to stay ahead of evolving regulatory developments.

Top risks to value creation continued

9 Network and spectrum cost and availability

Relevant material matters

MM 1, MM 2, MM 3, MM 4

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

The lack of sufficient spectrum hampers our QoS and strategic execution, with rising costs affecting our pricing and profitability. It is essential to have timely access to enough appropriate and cost-effective spectrum, along with technology-agnostic licensing.

MTN's success hinges on robust network performance and reliability. Disruptions pose severe risks, making substantial capacity planning and resilience crucial to accommodate increasing demand.

Doing through mitigation and controls

- Create and maintain an Exco-agreed spectrum plan that recognises traffic growth, technology uptake/maturity and existing and planned customer value propositions.
- Refreshed our spectrum approach in 2023 to cover new standards and technologies (Satellite D2D) to support the enhancement of governance and compliance through annual revisions in the MTN Group spectrum policy and performance contracting between Opco regulatory and technical heads.
- Review of Opco spectrum evolution annually to maximise spectrum utilisation efficiency through re-farming of existing allocations (licence permitting), frequent network hardware and software upgrades, and handset capability management.
- Ensure adequate financial planning for Opco capability to invest in spectrum when available.
- Extensive QoS and network uptime measures in place.
- Long-term network capacity planning aligned to strategy.
- Network policy provides principles on the mandatory requirements for all network initiatives and ensures a consistent way of work for networks throughout the Group.
- Implement resilience improvement plan for MTN South Africa which includes enhancing power back-up solutions on site.
- Eliminate single point of failure through redundant transmission routes, failover and power redundancies.

Doing in 2023

- Completed our Opco spectrum plans for 15 markets, considering traffic growth, technology uptake/maturity, satellite D2D technological advancements and potential long-term spectrum auctions.
- Specified focus on home connectivity FTTH and the 5G roadmap to identify a tactical approach to secure ideal 5G bands in a timely and affordable manner.
- Looked at innovative solutions for FWA with millimetre wave trials.
- Acquired 5G spectrum for commercial rollout at:
  - MTN Uganda
  - MTN Congo-Brazzaville
  - MTN Benin
- Acquired additional 4G spectrum to increase network capacity and deliver exceptional customer experience at:
  - MTN South Sudan
  - MTN Rwanda
  - MTN Nigeria
  - MTN Ghana
  - MTN Côte d'Ivoire
  - MTN Sudan
- Kicked off five-year radio access network and transmission equipment modernisation.
- Achieved MTN South Africa 94.6% network availability in Q4 2023, reflecting an improvement from 78.4% in Q1 after implementing resilience improvement plan.
- Recorded the following NPS %:
  - MTN South Africa 45%
  - MTN Nigeria 51%
  - MTN Other markets 38%

Opportunity

Sharing spectrum with other operators to increase spectral resources utilised by MTN and improve our performance.

Partnership with low earth orbit satellite players to augment existing terrestrial network and increase broadband coverage in unconnected areas.

Focus on growing our private network deployments across our markets working with the Enterprise teams.

Top risks to value creation continued

10 ESG issues

Relevant material matters

MM 1, MM 2, MM 3, MM 6, MM 8, MM 9

Relevant capitals

Natural, Financial, Intellectual, Human, Manufactured, Social

Principal risk and risk issues

Sustainability is a vital part of any organisation, as it has a bearing on customer choices, employee preferences and investment decisions.

Integrating sustainability and ESG considerations is paramount for long-term success. Forward-thinking leaders are reshaping their businesses to mitigate risks, seize opportunities and drive positive impact.

For MTN, ESG risks revolve around environmental impact, data privacy and governance compliance. These are influenced by carbon emissions, data security and regulatory complexities, partially affecting tariffs. By extension, tariffs contribute to the cost of digital access.

Addressing these risks is crucial for preserving trust, sustainability and long-term value.

Doing through mitigation and controls

- Ensure MTN's sustainability strategic framework is built into the business strategy, operating processes, governance frameworks and organisational culture.
- Equip each Opco with ESG risk mitigation controls, which are integrated into our business resilience programme. This identifies, classifies and manages risks, including those related to factors such as digital human rights. Controls also address stakeholder and operational market environment risks.
- Stay aligned with prominent standards like those of the IFRS ISSB. They emphasise sustainability-related risks and opportunities that could impact our cash flows, access to finance or cost of capital in the short, medium, or long term.
- Enhance limited assurance on sustainability outcomes to mitigate the risk of greenwashing and ensure transparency and credibility in our business practices.
- Continue to entrench a culture of ethics in line with King IV™.

Doing in 2023

- Advanced our efforts to reach Net Zero emissions by 2040, with a 13.1% reduction in emissions in 2023. This contributed towards mitigating climate change risks, improving energy efficiency, innovating in clean technologies and creating green jobs in operating markets.
- Expanded broadband access and hence digital inclusion, connecting an extra 9.2m people, and reducing data tariffs by an average 9%.
- Continued to narrow the coverage gap in rural areas by rolling out a cumulative 6 582 rural sites.
- Contributed R159bn in economic value-added, including:.
  - Taxes paid of R15.8bn.
  - Investments of R41.1bn in our networks.
- Supported the livelihoods, including job creation and skills development.

Opportunity

- Managing ESG risks offers a chance to use our diverse capabilities across functions, platforms and markets to create value, empower stakeholders and foster purposeful engagements with investors, unlocking long-term value for all involved.
- By expanding broadband access, we connect underserved communities, thereby addressing social inclusion but also an opportunity to reach new customers and drive revenue growth.
- Through innovation and by offering more affordable data tariffs, we increase accessibility for low-income individuals and communities, driving consumption volume and enhancing our own market competitiveness.
- With partners, drive initiatives such as digital literacy training and access to affordable devices, promoting inclusion, supporting societal development and presenting an opportunity to increase subscribers, improve customer satisfaction and strengthen brand reputation.
- Investment in green technologies and sustainable practices presents an opportunity to innovate in energy-efficient network infrastructure, renewable energy usage and e-waste management, reducing our carbon footprint, improving operational efficiencies and enhancing our reputation.