



## **MTN position statement**

### **Responsible supply chain**

#### **Introduction**

At MTN, we firmly believe in championing responsible supply chain practices within the telecommunication industry. We recognise the profound influence our operations can have on social, environmental, and ethical dimensions. MTN strives to conduct its business in a way that supports the long-term sustainability of the societies in which we operate. To meet this objective, we work with suppliers and partners who share our commitment to create shared value through responsible environment, social and governance practices.

#### **Purpose**

- Sets out our approach to driving responsible and sustainable supply chain practices.
- Outlines our commitment to the highest ethical conduct, to respect and promote human rights and fair labour practices, including equal opportunities, environmentally sustainable business, and a zero-tolerance to bribery and corruption.

#### **MTN's approach to responsible supply chain**

The following globally defined standards guide MTN:

- United Nations Global Compact Principles.
- Global Network Initiative Principles.
- The United Nations Universal Declaration on Human Rights.
- International Covenant on Civil and Political Rights United Nations, 1966.
- International Covenant on Economic, Social and Cultural Rights United Nations, 1966.
- Declaration on Fundamental Principles and Rights at Work - International Labour Organization, 1998.
- Global Reporting Initiative Sustainability Reporting Standards.
- International Standards Organization

#### **MTN's key principles for responsible supply chain**

- We strive to conduct business with suppliers who share our commitment to high ethical standards and operate responsibly and ethically.
- Our suppliers must comply with all applicable labour and human rights laws and standards. They are also expected to protect their employees and other personnel's human rights and treat them with dignity and respect.
- Our suppliers are expected to provide their employees and personnel with a safe and healthy working environment that complies with all applicable standards, laws and regulations.
- Our suppliers are expected to implement governance and management systems to facilitate compliance and ensure compliance with this code.
- We are committed to ethically sourcing our materials from suppliers that adhere to strict standards. This is backed by a comprehensive supplier onboarding and a due diligence approach that ensures that human rights, labour practices, and worker wellbeing are safeguarded throughout our supply chain.
- We recognise the environmental impact of electronic waste, resource consumption and our contribution to biodiversity. We strive to minimise our ecological footprint and its contribution to climate change. This includes promoting sustainable materials, reducing energy consumption, and adhering to circular economy practices for waste management.

- We are committed to responsible sourcing practices. MTN does not have any direct purchasing relationship with mines and smelters, and there are several layers of suppliers between MTN and the mines and between MTN and the smelters and refiners. While we have limited ability to influence the manufacturing process of the electronic equipment industry, we require all our suppliers to adhere to our Supplier Code of Conduct. <sup>1</sup>We aim to ensure our suppliers do not purchase conflict minerals that directly or indirectly fund armed conflicts or any other inhumane act. We expect our suppliers to take steps to ensure conflict minerals are not used in any of the equipment related to our supply chain.

### **Ensuring adherence to our supply chain Code of Conduct**

- MTN manages its Group supplier base through a rigorous end-to-end supplier management framework, which includes identifying vendors, onboarding, due diligence, and performance management. Non-performing suppliers are given an opportunity and the necessary support to improve their performance.
- Suppliers are blacklisted when there is an issue of fraud or unethical behaviour or do not improve their performance following their initial greylisting warning.
- All new and existing suppliers are made aware of our zero-tolerance approach to bribery, fraud and corruption, and they are regularly reminded of our policies throughout the year.
- Our suppliers are required to adhere to the Code of Conduct as part of their agreement with MTN. Only upon passing our due diligence process and signing the Supplier Code of Conduct can suppliers participate in sourcing events through MTN's online sourcing platform.
- During the onboarding of new suppliers and annual due diligence for existing suppliers, self-declaration of compliance towards environmental, social, and governance standards is required by all suppliers.
- MTN conducts health checks through online questionnaires covering these critical areas.

### **Membership of recognised supply chain initiatives**

- MTN is a member of the Joint Audit Cooperation (JAC) and the Global e-Sustainability Initiative (GeSI), two globally recognised industry bodies committed to promoting technologies and practices that foster environmental, social and governance sustainability. These bodies cover 90% of our existing Group supplier base.
- Not many telcos – particularly pan-African telcos – are members of both JAC and GeSI. As members of both organisations, MTN will ensure ethical, sustainable, and environmentally responsible supply chain partners.
- Membership in these organisations will enable MTN to:
  - Conduct gap assessments and tracking of open items.
  - Conduct desktop and physical ESG audits.
  - Supplier training and capacity building.
  - Supplier mentoring, secondments, or supporting suppliers through sharing best practice.
  - Conducting and reviewing supplier monitoring, audits and results.
  - Join collaboration initiatives with other members on several ESG topics.
  - MTN senior management participates in the governing bodies of both JAC and GeSi.

### **Grievance and reporting mechanism**

All MTN suppliers shall comply with this code, as amended by MTN Group Limited. The supplier identifies that another supplier is not complying with this code, the supplier must report any violations of this code to MTN as directed below:

- Call - +27 83 123 7867

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<sup>1</sup> tin, tantalum, tungsten, and gold, also called 3TG metals and cobalt

- Email - [anonymous@tip-offs.net](mailto:anonymous@tip-offs.net)
- Website - [www.tip-offs.com](http://www.tip-offs.com)

Suppliers are encouraged to contact MTN's internal investigations team directly at [Group.frm@mtn.com](mailto:Group.frm@mtn.com) should they have any concerns. Matters reported will be investigated and addressed, including appropriate action being taken where there have been violations.

### **Governance roles and responsibilities**

Our Board, through the Group our Social, Ethics and Sustainability Committee, oversees the Group's actions and performance regarding responsible supply chain. The Group Management Committee is supported by the Group Sustainability and Corporate Affairs and Global Sourcing and Supply Chain functions, which monitors the Group's performance regarding responsible supply chains.

### **Applicability and transparent reporting**

- Our Human Rights Policy applies to all our directors, officers, employees, and representatives of the Company, whether permanent, temporary or on contract.
- We expect our intermediaries, agents, contractors, suppliers, and business partners to uphold the same standards.
- We are committed to transparency and disclosure regarding human rights at MTN.

### **Communication and training**

MTN's Supplier Code of Conduct, which articulates our responsible supply chain principles, is shared with all employees of MTN's operating entities, subsidiaries and partners. The policy is translated into local languages as required. Detailed training is provided annually to employees and partners. MTN expects its suppliers to embrace this commitment to integrity by complying with and training its employees and subcontractors on MTN's Supplier Code of Conduct.