

## ENGAGEMENT FACTSHEET

# MTN

### ENGAGEMENT RATIONALE

MTN operates in many emerging markets. Due diligence of human rights and protection of digital rights are important topics for the company. Kempen is leading the engagement with them as part of the Investor Alliance on Human Rights group.

### BACKGROUND

MTN faces issues with online human rights in several countries within its regional footprint. This is complex, as the interests of its stakeholders (governments, regulators, civil rights organisations, media) are sometimes at the opposing ends of the spectrum. In some markets data traffic is difficult to control as MTN does not manage the gateways to international services (including social media services). That said, MTN should ensure that the benefits of connectivity are not undermined by activities that limit how people can use digital technologies to enhance their lives.

### THEME FOR ENGAGEMENT

x Human rights, Digital rights

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### ENGAGEMENT OBJECTIVES

x We want MTN to improve their governance, privacy and freedom of expression policies and practices inline with recommendations from the Digital Rights Ranking that rates the company.

### DEVELOPMENT



### MILESTONE



### ENGAGEMENT RESULTS

- x The company has sent us a letter from its CEO Rob Shuter acknowledging our concerns raised.
- x MTN is taking steps to strengthen Human Rights and Digital Rights policies and reports on the Ranking Digital Rights scoring which we view as positive.
- x We were disappointed about their response to Iran's shutdown in December 2019. We would have expected them to do more, although we realise they are in a difficult situation as minority shareholder.

### NEXT STEPS

- x We want MTN to disclose more information about its human rights due diligence, including whether it conducts risk assessments on new and existing services and when entering new markets.
- x Demonstrate more transparency in the handling of user information and on external requests of user data.
- x Monitor the Ranking Digital Right's indicators to monitor MTN's activities.
- x Compare MTN's policies and activities with other telecom providers active in a comparable footprint.



### COMPANY

MTN Group Ltd is a mobile telecommunications provider operating across South Africa, Nigeria, Ghana, Cameroon, Ivory Coast, Uganda, Syria and Sudan. The majority of the company's revenue is earned through South Africa and Nigeria. The company also has a joint venture in Iran.

### COUNTRY

South Africa

### SECTOR

Communication services

### MARKET CAP

ZAR 157 billion

### ISSUE

Human rights due diligence and protection of digital rights

### MATERIALITY

Undermining the benefits of connectivity will impact the company's top-line and can impact the risk profile.

### RISK

Lack of human and digital rights protection poses a reputational risk and may be scrutinized by (potential) clients and other stakeholders

### MSCI ESG RESEARCH

UN Global Compact: Pass  
ESG Rating: BBB