

# Engagement Factsheet

## MTN

### ENGAGEMENT RATIONALE

MTN operates in many emerging markets. Human rights due diligence 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 MTN to improve their governance, privacy and freedom of expression policies and practices in line with recommendations from the Digital Rights Ranking that annually rates the company.
- x Provide more transparency about how the company performs Human Rights Due Diligence and assesses potential impacts.
- x Company to strengthen its Human Rights Due Diligence process in line with the UN Guiding Principles For business and Human Rights



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### DEVELOPMENT



### ENGAGEMENT RESULTS

- x In mid -2020 Kempen had a call with the Chairman. The chairman reinforced the importance of Human Rights and digital rights to the company.
- x Last November MTN published updated human rights and digital rights policies which is a positive step in the right direction but are still rather high level.
- x Another important milestone was the publication of MTN's first Transparency report. In this report the company has published updated Human Rights policy, Privacy Policy and transparency around how it performs Human Rights Due Diligence. These were three of our requests.
- x Another ask that we had in our engagement was that the company increases its transparency on how it handles user information and government requests. Company for the first time published the full breakdown of data related requests from authorities and non-government organizations including breakdown for a number of countries where it operates.
- x All in all, we feel the company has made significant steps in improving its policies and in 2020 and increasing the overall level of transparency in line with our engagement asks and this warrants a milestone increase.
- x The improvements have led to a significant improvement on the RDR index. MTN is now ranked 7<sup>th</sup>. The highest rank for a pure play Emerging Markets Telecommunications company.

### NEXT STEPS

- x We will monitor if MTN follows its policies.
- x We want MTN to increase transparency during shutdowns.

### MILESTONE



### 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 1 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

- x 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