



# Eswatini MTN True Value Report



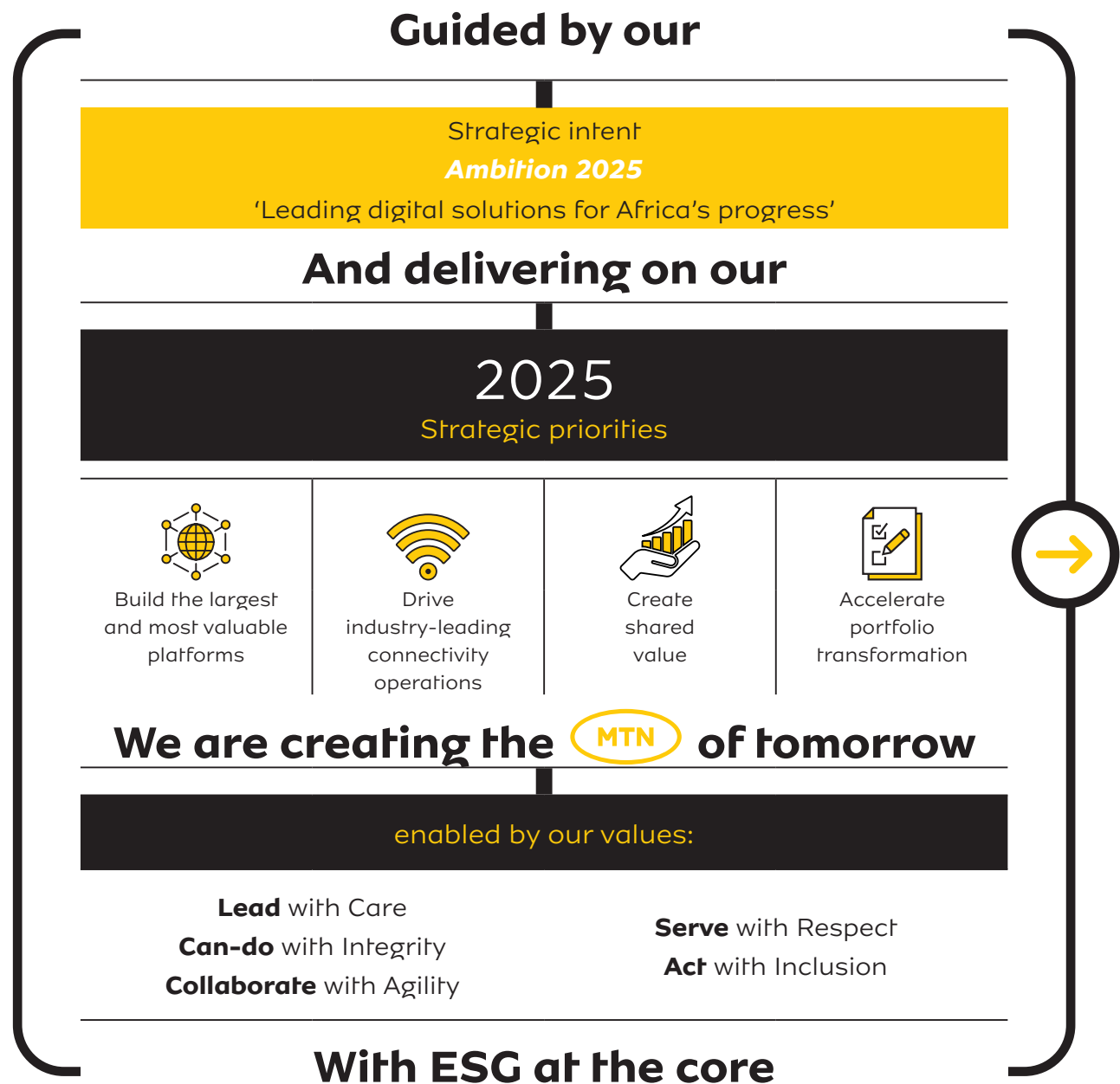
Doing for  
tomorrow,  
**today.**



## About MTN

MTN is a pan-African mobile operator with the strategic intent of 'Leading digital solutions for Africa's progress'. Driven by a pioneering spirit, MTN has played a bold role in accelerating Africa's development over the past two and half decades. When we started our journey in 1994, our ambition was to brighten lives through the power of connectivity.

Today, extending digital and financial inclusion is more critical than ever. We want the opportunities that the digital world offers to be universal, contributing as a positive force for the transformation of individuals, companies and society. To support this, we are harnessing the power of MTN – our brand, footprint, connectivity infrastructure and technology platforms – to provide leading solutions that fuel Africa's progress. We offer a diverse range of voice, data, Fintech, digital, enterprise, wholesale and API services to more than 289 million customers.



## Defining MTN's concept of value

Value means different things to different people at various times. However, MTN has a very clear, consistent definition of value as *"progress in achieving our strategic intent and delivering on our purpose to enable the benefits of a modern connected life for everyone in our footprint"*.

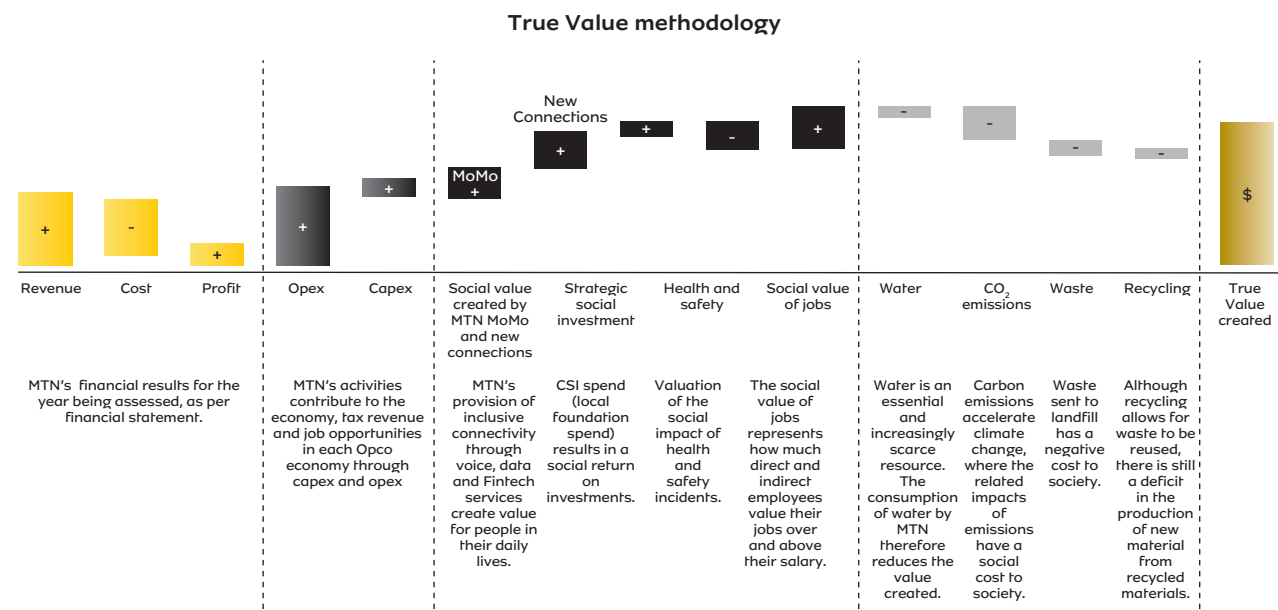
## Developing a nuanced view of value

To determine MTN's progress in achieving our belief statement in line with our **Ambition 2025** strategic priority of creating shared value, we commissioned KPMG to conduct an impact assessment for the Group and each of our country operations, including eSwatini.

The assessment incorporates the positive and negative environmental, social and economic impacts created or eroded by MTN's operations in the economies and societies in which we operate. Using the most appropriate valuation factors from KPMG's methodology, these impacts are then quantified in financial terms.

## Applying the True Value methodology to MTN

The process began with qualitative and quantitative research conducted by IPSOS, a multinational market research and consulting firm. Focusing on MTN MoMo and MTN New Connections, IPSOS interviewed customers, agents and merchants across eSwatini and six other African countries to understand why MTN is the first choice, who uses our products and services, the purposes of phone usage, usage experiences and positive and negative impacts. Other factors, including the employee multiplier effect, economic inclusion, time and cost savings, social impacts, economic opportunities, capacity building, access to health information and education were also considered. These were all integrated with principles embedded in the True Value methodology. The impact outcomes are articulated in a True Value bridge that illustrates the build-up of positive impact and offset of value erosion.



"One of MTN's four strategic priorities is to create shared value. To deliver on this priority, we need to monitor our performance and understand the social, environmental and economic value that we create for society through our operations. Using KPMG's True Value methodology, in 2021 we started identifying the most material socio-economic and environmental impacts and quantifying them in financial terms."

MTN eSwatini CEO  
**Wandile Mtshali**

<sup>1</sup> KPMG's True Value methodology is based on the latest academic research, valuation methodologies and leading industry practices. It is aligned with various international standards including the Social and Human Capital Protocol, Natural Capital Protocol and the Value Balancing Alliance. It is important to note that higher profit does not necessarily translate into higher True Value. Rather, the methodology provides a transparent, nuanced view of overall impact and value.

# MTN eSwatini

MTN has been present in eSwatini since 1998. The joint venture has approximately 1.0 million subscribers. In 2022, MTN's revenue in eSwatini was R0.5 billion.

**7606 1954,  
a video call  
line for our  
hearing impaired  
customers.**

Our call centre is ready to assist our hearing impaired customers with their enquiries. Sisonkhe.

**#go4it**  
everywhere you go

**[mtn.co.sz](https://mtn.co.sz)**



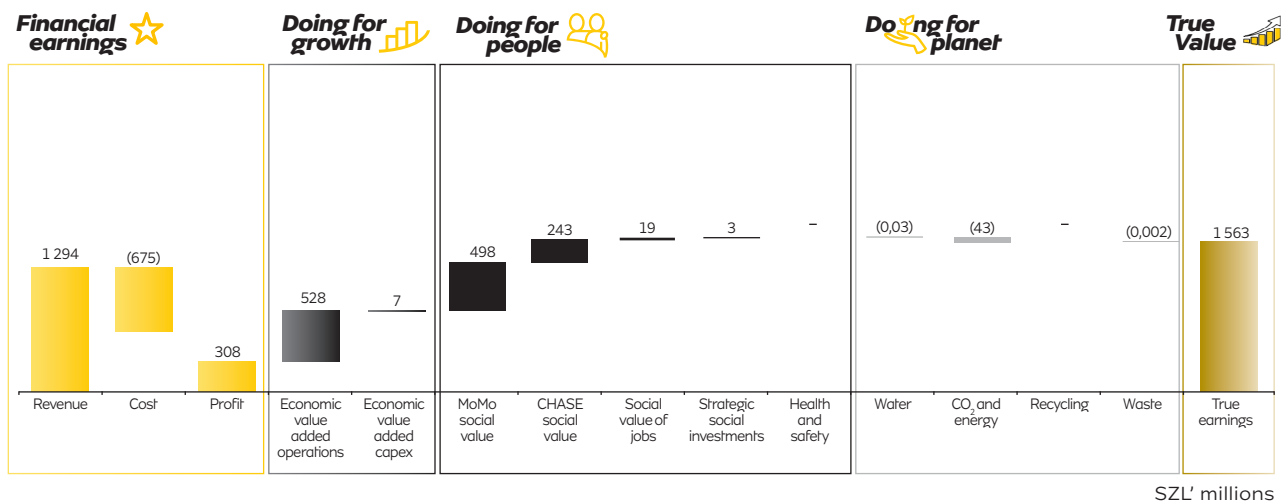
## Value created in eSwatini

MTN eSwatini contributed to the eSwatini economy and societies through its financial contribution, job creation, social investments and digital and financial inclusion products. The organisation acknowledges value eroded through emissions and offsets this value from value created to provide a comprehensive view of both negative and positive impacts.



## Quantifying MTN eSwatini's impact

True Value to profit was 5X in 2021 demonstrating that value creation exceeded profits.



## Our first objective is to contribute towards eSwatini's economy

Our activities to boost inclusive economic growth through capital infrastructure investments, operating expenses and tax also result in the creation of direct, indirect and induced jobs across the ICT value chain.

The total economic value-added created amounted to approximately SZL 535 million for 2021 which is made up of SZL 528 million from opex for 2021 and SZL 7 million from capex for 2021. This contribution has a direct impact on eSwatini information and communications sector and an employment multiplier effect is experienced within the ICT sector and other sectors like wholesale and retail.

*Opex refers to operational expenditure which is the money MTN spends on an ongoing, day-to-day basis to run its business.*

*Capex refers to capital expenditure which is money invested by MTN to acquire or upgrade fixed, physical or non-consumable assets.*



## Our second objective is to promote inclusive connectivity, ensuring everyone benefits from a modern connected life

A diverse workforce and generational equality are important priorities for MTN. However, our concept of inclusivity is far broader than this, based on our view that people who are connected are ultimately empowered. For us, inclusivity is about **driving digital and financial inclusion, increasing access and reducing the costs of communication**, ultimately connecting people not only to each other, but also to business and educational opportunities.

Our efforts towards financial inclusion go beyond providing a transactional platform to a mobile platform that enables social inclusivity through MTN MoMo. MoMo is a foundation of our drive to bridge the gap of financial exclusion and contribute to socio-economic goals and shared value. Direct feedback from our MoMo customers indicates that MoMo enables time and cost savings, that they feel safer while performing their day-to-day activities and that they have experienced improvements in financial stability.

Based on our view that MTN can only grow when the communities and ecosystems in which we operate are progressive, we strive to leverage our core capabilities to enable the socio-economic development of our host communities.

## Our social contribution to the eSwatini economy

**SZL 763m**

total social impact in 2021

**49%**

of total true earnings

**Direct and indirect jobs created**

**2021  
1 750**

**Direct 260  
Indirect 490**

Contributing towards reducing the **wage gap** across economies



We aim to create **direct and indirect employment** that goes beyond financial compensation to include social benefits and helps people to grow in their personal and professional lives. We want people to work with meaning, thrive in their fields, connect to develop and grow with positivity and purpose.

## Social value of jobs

2021  
SZL 19m



Feelings of **empowerment, motivation, drive and self-esteem** factored in





**MoMo**  
from MTN



## Creating a bridge for financial inclusion at every level

Financial inclusivity underpins socio-economic growth. Our efforts towards financial inclusion go beyond providing a transactional platform to a mobile platform that enables social inclusivity through MTN MoMo. MoMo is a foundation of our drive to **bridge the gap of financial exclusion and contribute to socio-economic goals and shared value**. Direct feedback from our MoMo customers indicates that MoMo enables time and cost savings; they feel safer while performing their day-to-day activities; and they have experienced improvements in financial stability.

By partnering with our agents and merchants to deliver MoMo services, we see MoMo as a platform to bridge the gap of financial exclusion and enable socio-economic growth within small and medium enterprises (SMEs).

### MTN MoMo value added



**SZL 498m**  
in 2021

Flows from MTN eSwatini's ability  
to connect more customers  
and increased value creation  
for customers



“

*73% of customers across all markets mentioning that sending money with the app cost them overall less compared to when they did not have the app.*

”

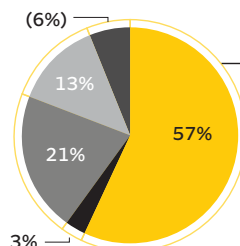
## Value created for MTN MoMo customers

SZL 498m

2021

## Key indicator

Time and cost savings



## Impact on MoMo customers

- Time and cost savings when sending money to friends and family, and using MoMo for purchasing goods or services
- Customers experiencing less theft due to using MoMo
- Customers reporting less fraud due to using MoMo
- Customers experiencing an increase in financial stability due to receiving more money from friends and family via MoMo
- Other



*It minimises on the risk of losing money in the business and this is because the cashiers have no access to the MoMo pay platform. It is also easy to transfer the money from the MoMo pay account to the bank.*

Mrs M (pharmacist and business owner)

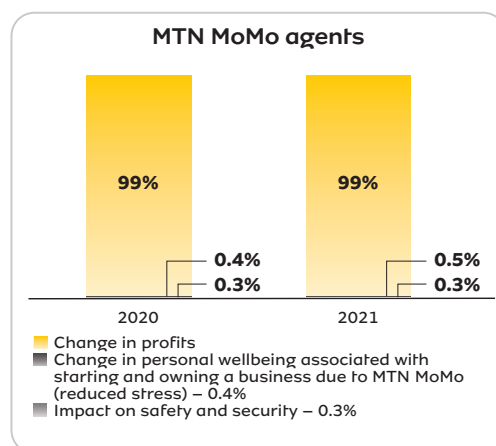
## Value created for MTN MoMo agents

SZL 26.2m

2021

## Key indicator

Increase in financial wealth by connecting to society as an MTN MoMo agent



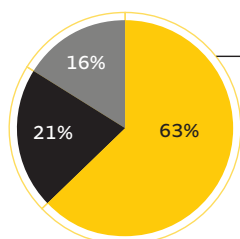
## Value created for MTN MoMo merchants

SZL 13.4m

2021

## Key indicator

Increase in capital through partnership with MTN



## MTN MoMo merchants

- Change in business profits as a result of using MTN MoMo as a merchant
- Increased personal income for sustained employees
- Increased personal income for new employees



## Creating everyday social value through New Connections

New Connections underpins our focus on **creating value for people in their daily lives** through voice, data and Fintech services. The benefits of these services include affordable coverage, access to data-enabled devices, data service affordability, service bundling and enhanced opportunities for digital literacy. The positive impact of New Connections is highlighted by the fact that 65% of Ugandan customers reported that their MTN data connection was their first time connected to data services.

### MTN New Connections

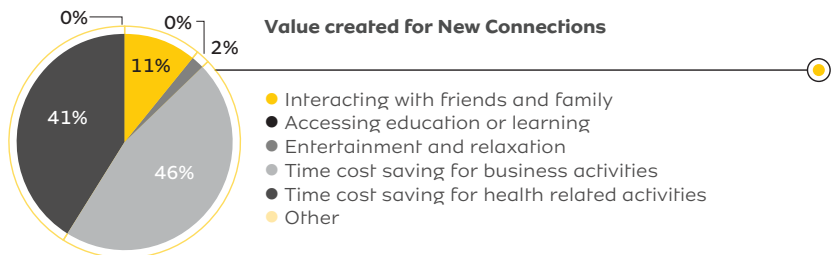
**SZL 243m**

2021

MTN Eswatini connected more customers in 2021

### Time and cost savings

related to business activities were the highest contributor to total value-add



“At times MTN gives you 100MB for free. The moment you subscribe to anything they give you free 100MB – MTN New Customer.”

“For mobile data it's cheap and because I buy monthly, I save a lot more than those who use Wi-Fi – MTN New Customer.”

“It has improved education like I am hearing students saying they are doing online studying so it's easy to research even before a teacher comes to teach you – MTN New Customer.”





## Our third objective is to reduce negative environmental impacts

Our focus on planet is aligned with the Paris Climate Agreement to limit global temperature rise to 1.5°C. We aim to reduce carbon emissions to Net Zero by 2040. Our individual operating companies are currently developing individualised initiatives to ensure achievement of our drive to meet this target.

Our focus also includes ensuring responsible water discharge and minimal water use. However, the pressures are mounting on this essential resource in many parts of the African continent and across the world.

The assessment applied an erosions model which quantifies our emissions and water erosion:

- Our emissions erosion amounted to SZL 43 million in 2021.
- Our water erosions amounted to SZL 8 million in 2021.

MTN continues to increase its focus to reduce emissions, and better its water and waste management directly, through forging partnerships with suppliers and strategic partners.

## Our ecological impact erosion on the eSwatini economy

### Value eroded

(Impacts considered are aligned with MTN's priority SDGs)



**Carbon emissions**

**SZL 43m**  
(2021)



## Conclusion

The assessment enables us to reassure our stakeholder of our shared commitment to realise business growth alongside economic and social progress. The assessment also provides a base in which we can engage with stakeholders to ensure alignment of our efforts and what our stakeholders care about and find value adding.

### The True Value outcomes together with stakeholder insights informs MTN's efforts to continue:

1

#### Prioritise capex spend with local suppliers

to multiply jobs creation and local capacity building. This will have a positive rolling effect on value-add throughout the economic supply chain.

2

#### Enhance innovative products and services

that prioritise cost and time savings to consumers and address their socio-economic pain points.

3

#### Exploring creative initiatives that reduce water usage

in a water-scarce market and motivating recycling to reduce waste. Initiatives may include direct and indirect water and waste management.

