



MILLICOM  
THE DIGITAL LIFESTYLE



# Corporate responsibility performance review

This section sets out our performance against our 2016 targets, key initiatives of 2016 in greater detail and long-term objectives for our most important eight corporate responsibility topics.

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# Growing responsibly and with purpose

Our mission at Millicom is not just to lead the adoption of The Digital Lifestyle™ in our markets. It is also essential that we grow responsibly and with purpose. Our corporate responsibility (CR) strategy and work are central to delivering our vision of empowering our customers and employees to advance in life and find joy.

## Five year objectives

## What we did in 2016

## Read more

### Measure the success and health of our company beyond financials

- Published our first integrated report to further clarify how CR strategy is embedded in our daily decision making
- Expanded the scope of our data collection in environmental management and diversity and across our subsidiaries in Colombia and Zantel in Tanzania

See key performance indicators as outlined under each topic, from page 62 onwards.

### Promote, protect and strengthen our reputation

- Finalized materiality assessments with local country stakeholders, and published country fact sheets in each market
- Continued engagement with our investors, partners, governments and other key stakeholders on specific topics; including becoming observers of the Global Network Initiative and ESG visit in Colombia

Find out more about our materiality process on how we manage our CR on page 12.

Our progress explained throughout this section

### Demonstrate thought leadership in areas that link to business success

- Leadership in child online protection, with multi-stakeholder workshops, awareness and training programs to children, parents and teachers
- Collaborated with UNICEF to create “mobile operators child rights impact assessment tool” to be used across the industry
- First operator in Africa and LatAm to set targets to increase women in our customer base within the GSMA’s Connected Women initiative

See child rights and online protection section on page 64.

See the diversity section on page 74.

## Our eight most important CR topics



**1. Privacy and freedom of expression**



**2. Child rights and online protection**



**3. Acting responsibly: anti-corruption compliance**



**4. Reducing our environmental footprint**



**5. Diversity**



**6. Taking care of our people: health and safety**



**7. Responsible supply chain management**



**8. Social investment**



## Growing responsibly and with purpose – continued

# 1. Privacy and freedom of expression



## Progress in 2016

This year our focus has been on:

- Improving stakeholder engagement, especially supporting the merger of Telecommunications Industry Dialogue on Freedom of Expression and Privacy (TID) and Global Network Initiative (GNI) and building relationships with local human rights organizations
- Continuing to improve internal processes relating to law enforcement assistance and 'major events' escalation

As our customer base and services we provide to them increase, so does the focus on and reputational risk associated with requests from law enforcement to communications companies for surveillance and customer data. Our priority is to ensure we achieve the right balance between our obligation to respect local laws and supporting governments in the legitimate aims to protect their citizens, and our responsibility to respect the privacy of our customers.

Millicom is committed to being transparent about how we deal with requests from governments and law enforcement agencies.

In 2016, we continued to advocate for clear and transparent legal frameworks around surveillance, aligned to the principles of proportionality and necessity. We contributed to furthering the understanding around the issues telecommunication companies face and the context in which decisions are made through our first Law Enforcement Disclosure report, published in April 2016. We also made further improvements to our internal operating procedures and controls relating to law enforcement assistance, and ensuring that any 'major events' were escalated to regional and global management for attention and support.

### Ongoing industry dialogue

Millicom is one of the founding members of Telecommunications Industry Dialogue (TID), an industry group jointly addressing issues of privacy and freedom of expression as they relate to the telecommunication sector. In 2016, TID met face-to-face once a quarter as well as weekly by phone. Our detailed progress in implementing the Principles of the TID can be found in our Law Enforcement Disclosure report 2016.

In March, we became observers of the Global Network Initiative (GNI), a multi-stakeholder initiative focusing on internet freedom, with the aim of joining as full members in March 2017. The drivers of our membership of GNI were to build joint leverage with companies across the ICT ecosystem, shared learning and best practices, strengthened policy advocacy and benefit from a multi-stakeholder approach – and to put our processes to test through the GNI independent assessment. Membership will allow us to fully participate in what we consider to be a critical debate with more than 50 organizations, human rights experts, investors, academics and internet companies.

The first year of our three-year donations agreement with international human rights organization Civil Rights Defenders focused on sharing information of developments in our two regions and connecting with local human rights organizations in some of our key markets, such as Tanzania and Colombia.

### Improving our internal processes

All of our operations conducted self-assessments on their alignment with the Group Law Enforcement Assistance Guidelines and controls, as outlined in our internal control manual. We commissioned reports on the legal frameworks and government powers on surveillance from all our markets not covered by previous reports by TID or its members. These reports will be published under the Creative Commons license in 2017.

In 2016, we also established an internal working group on data privacy and protection, with the aim to create one comprehensive data privacy framework for the Group and to set global policies and training for data privacy.

A global policy aligned to international best practice will mean going beyond the requirement of the law in a great majority of our operating markets.

Our aim is to be able to significantly increase transparency in 2017 on our policies and approach to data privacy and protection and on what data we collect and why.



Read more about our progress in implementing the Principles of the TID and our work on privacy and freedom of expression in our Law Enforcement Disclosure report 2016 [here](#)

## Growing responsibly and with purpose – continued

### 1. Privacy and freedom of expression



#### Key

- ✓ Completed/achieved
- ⚙ In progress

### Our performance

Five-year plan objectives (by 2018):

- Complete an external assessment of Millicom's policies and processes relating to privacy and freedom of expression

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
<b>Policy implementation</b>	<b>Continue to support specific operations to implement Group guidelines to manage law enforcement requests</b>		We supported all operations in clarifying requirements of the Group guidelines, and implementing these; resulting in all assessed operations rising to a mature level of controls.	% of operations with controls systematically applied in line with the Group guideline <sup>1</sup>	N/A	45%	<b>92%</b>	All operations to have controls assessed and systematically applied in line with the Group guideline
<b>Law enforcement requests</b>	<b>Publish Law Enforcement Disclosure (LED) report</b>		Our first stand-alone LED report was published in April 2016.	Total number of law enforcement requests (Group)	N/A	39,418	<b>47,632</b>	Conduct human rights impact assessment focused on privacy and freedom of expression in all our LatAm operations
				Number of major events <sup>3</sup>	2	20	<b>18<sup>2</sup></b>	

1 2015 data disclosed this year based on 11 operations who completed the self-assessment, excluding Tigo DRC which was sold at the beginning of 2016, and Colombia and Zantel as integration continued in 2015. 2016 data is based on 12 operations, excluding Zantel, as integration continued in 2016.

2 This number does not include requests to block access to child sexual abuse content (applicable only to Colombia in 2016).

### Number of law enforcement requests

Region	Interception	Customer metadata	MFS	Content takedown
LatAm	927	39,279	267	0
Africa	5	6,827	326	1

### Overview of major events<sup>3</sup> by type

Type of event	Occurrences in 2016
Shutdown of services	8
Proposals for significant changes in local laws	5
Proposals for significant changes in technical or operational procedures	2
Disproportionate interception or customer data requests	1
Politically motivated messages	1
Other	1

3 Data reported for financial year, including 2016 data. This also applies to the "Overview of major events by type" table data below. "Major events" can include requests for shutdown of specific base station sites, geographical areas or entire network, service denial or restriction (SMS, mobile/fixed internet, social media channels), interception requests outside of due process, targeted take-down or blocking of specific content, denial of access for specific individuals, significant changes relating to surveillance techniques or operational processes (direct access or how local surveillance laws are implemented in practice), significant changes to local laws relating to government powers of surveillance or data retention, or requests to send politically motivated messages to customers on behalf of the government.



## Growing responsibly and with purpose – continued

# 2. Child rights and online protection



## Progress in 2016

This year our focus has been on:

- Finalizing the child rights tools for our sector with UNICEF, and conducting further assessments in LatAm
- Creating a holistic approach to child online protection (COP) in LatAm

Our work over the past years has positioned us as a strong leader on child protection within our industry, re-affirmed in our materiality assessment with our key stakeholders in 2015. Building on our understanding of how our daily work may impact children's lives, our initiatives

focus on managing operational risks around child rights and actions to build safer environments online for children.

### Promoting child rights

In 2014 we partnered with UNICEF to gain and promote greater awareness of the issue of child rights for our business. So far this collaboration has focused on jointly identifying key child rights issues in the digital sector and on creating tools for companies to identify and address their gaps and opportunities in managing their child rights impacts.

The Mobile Operator Child Rights Impact Assessment (MO CRIA) tool UNICEF and Millicom jointly developed, was launched in July 2016 and is available from UNICEF website for all telecom companies to use. To date, we conducted have five assessments using this tool, two in Africa and three in LatAm; Colombia, El Salvador and Bolivia.



Following the success of our mBirth project in Tanzania, mobile birth registration is now live in a number of our markets, including Ghana and Bolivia. See page 57 for our case study.

### Strengthening child online protection

We want children to be able to harness the great benefits online access can bring them in education, social interaction, inclusion and self-expression while at the same time ensuring their interaction is safe.

We work with UNICEF and other expert partners to empower children to navigate the digital world more safely. To date, our workshops in seven countries in LatAm and Africa have brought together key decision-makers and influencers to promote consistent legal frameworks to protect children online – in particular to be able to jointly fight cyber-bullying and child sexual abuse content and its distribution. Some of our workshops have acted as catalysts to form multi-stakeholder national committees and have brought together all major telecommunication and internet service providers to promote collaboration for safe online experiences and fight child exploitation on the internet.

These workshops form a strong basis for our integrated approach to child online protection (COP).

To further raise awareness on this issue, we provide training and support materials to our customers, to children and teachers at schools and train our sales and customer service staff to be able to address any customer concerns.

We have also taken steps internally to make a bigger impact in the fight against child sexual abuse content online, explained in the following page.



- 1,826 child online protection (COP) training sessions conducted, reaching 122,000 children, 14,800 teachers and 13,000 parents
- Over 1,230 digital literacy training sessions for children and over 1,570 for adults
- 1,061 schools, universities and public institutions connected to the internet as part of our digital connectivity program
- Equipment of in-kind value around US\$474,000 donated to enable digital connectivity
- Over 1,870 pieces of equipment such as tablets, smartphones and computers donated to 226 schools
- Over 900 members of our sales force have been trained on COP to date

## Growing responsibly and with purpose – continued

### 2. Child rights and online protection

#### Supporting multi-stakeholder collaboration

We ignite dialog and collaboration on COP to ensure key stakeholders who are needed to protect children online – legislators, law enforcement, child rights experts and the tech industry – all understand the different issues of COP and their role in solving them. Two years ago, Tigo Paraguay hosted Latin America's first ever COP workshop and since then we have held similar events in Colombia, Bolivia, El Salvador and Costa Rica, as well as the first ever African-based workshop in Rwanda.

Building on the success of our previous workshops, in October 2016, we hosted 306 participants, including the First Lady of Honduras, the Lady Lee Foundation, the Minister of Education, CONATEL – the telecommunication regulator, UNICEF, GSMA, International Centre for Missing and Exploited Children, INHOPE, Plan International and industry peers for a COP summit in Honduras. A working group was created to discuss the Legal Framework for the planned Law on Cybercrime with the full support of the National Congress and the National Directorate on Children, Adolescence and Family.

These workshops are followed up with a number of different work streams. For example, in Rwanda and Costa Rica, national committees on COP were established by the government, which continue to meet regularly. In El Salvador – through our Digital Ambassador's program – we have trained more than 10,000 people, including parents and teachers, on how to use the internet responsibly. We also delivered this training to our employees and their children. In Bolivia, Tigo took part in a nationwide campaign on COP, through which we reached thousands of customers to highlight the importance of responsible use of technology by children.



#### Fighting child sexual abuse content

As part of Millicom's commitment to fighting online child sexual abuse content (CSAC), we are taking action to prevent access to this content in our networks.

In 2016, we signed an agreement with Interpol to begin blocking access on our network to child sexual abuse content included on their "Worst Of" list. These CSAC sites are the only content we proactively block access to in our services.

We expect our LatAm operations to have blocking in place by the end of 2017.

#### Customer communication and training

Together with our partners, we provide training on COP to parents, teachers and to children as part of our volunteering activities across our operations in LatAm. These training workshops, supported by a wealth of materials tailored to the local context, emphasize the great potential the internet has for children's development when used responsibly and aware of related risks.

### All 12 operations<sup>1</sup>

assessed against minimum age of hiring controls requirements of our internal control manual reported highest level of maturity for this control.



Through our partnership with UNICEF, we launched our "Safe Internet Manual" in several of our countries in LatAm. The materials contain important information on online safety and where to receive assistance for children or adults in risk situations. In El Salvador and Paraguay, we have distributed over 30,000 brochures to customers and, beginning next year, we will distribute another 30,000 printed and digital versions between Honduras and Bolivia to our clients who have children in their homes.

In partnership with the Costa Rican NGO Paniamor, we are providing a dedicated web portal on Tigo websites in operations, allowing our customers to learn how to be more content-aware parents, as their children access today's digital world. The portal will go live in 2017.

#### Training for our customer service and sales staff

Continuing our effort to reach out to our customers, we are training our sales force on the COP. We want our sales force to be aware of the importance of this to our customers and their children, and to be able to guide our customers to the best and safest ways to use our products and services.



<sup>1</sup> All operations excluding Zantel. As we continue to align internal processes and systems for Zantel following our acquisition in late 2015, self-assessment campaigns start in 2017.

## Growing responsibly and with purpose – continued

### 2. Child rights and online protection

#### Key

- ✓ Completed/achieved
- In progress

### Our performance

Five-year plan objectives (by 2018):

- The mobile operator child rights impact assessment (MO CRIA) tool we jointly developed with UNICEF is used across the mobile operator community.
- Conduct the MO CRIA in all operations in Africa and 50% of operations in Latin America
- Integrate promotion of parental controls and distribution of safe internet into mobile, fixed and cable TV customer processes in Latin America
- Publish child online protection (COP) policy and accompanying guidelines, and roll out across all operations

Topic	2016 target	Status	Our progress	KPIs	2014	2015	2016	2017 target
<b>Child labor policy compliance<sup>1</sup></b>	<b>All operations to have controls in place and systematically applied in line with the minimum age policy</b>	✓	All 12 operations assessed report reached highest level of maturity against the controls.	% of operations with controls systematically applied in line with the minimum age policy	N/A	58%	<b>100%</b> <sup>2</sup>	All operations to continue to maintain systematic controls in line with the minimum age policy
<b>Child rights impact assessments</b>	<b>Conduct MO CRIA in three additional operations, including one in Colombia</b>	✓	In addition to Colombia, we conducted assessments in El Salvador and Bolivia in 2016.	% of operations with child risk impact assessments conducted to date	0	17%	<b>38%</b> <sup>3</sup>	Action plans in place in all operations where MO CRIA has been completed
<b>Child online protection</b>	<b>Organize COP workshops with stakeholders in three operations</b>	—	We hosted one workshop in Honduras. Two planned workshops were postponed to 2017.	% of operations that have hosted a multi-stakeholder COP workshop to date	15%	46%	<b>54%</b> <sup>4</sup>	Organize COP workshops in Guatemala and Ghana
	<b>Roll out customer materials and training on COP across Latin America</b>	—	COP portal has been designed and will be rolled out to Tigo websites in 2017.	% of operations with a child online protection portal	New KPI for 2016		<b>0%</b>	All operations in LatAm to integrate a COP portal on Tigo websites
		—	We rolled out customer leaflets jointly developed with UNICEF in El Salvador and Paraguay.	% of operations in LatAm with customer leaflets on COP	New KPI for 2016		<b>29%</b>	At least three additional operations in LatAm to roll out customer leaflets
		—	We have conducted COP trainings across LatAm and in Ghana.	Number of children reached by COP training ('000)	New KPI for 2016		<b>122</b>	Increase number of children trained by 20%
	<b>Block child sexual abuse content (CSAC)</b>	—	We signed an agreement with Interpol and defined legal and technical approach for each operation.	% of operations in LatAm blocking child sexual abuse content	N/A	14% <sup>5</sup>	<b>14%</b>	Implement CSAC blocking in at least 50% of our operations across LatAm

<sup>1</sup> When we published our minimum age policy in 2015, we reported two KPIs against targets around child labor policy compliance: number of operations completing self-assessment against controls in place, and those who report systematic controls as being in place. From 2016 onwards, the controls are self-assessed for each operation on annual basis and we will continue to report the maturity level only.

<sup>2</sup> All operations excluding Zantel. As we continue to align internal processes and systems for Zantel following our acquisition in late 2015, self-assessment campaigns start in 2017.

<sup>3</sup> Including assessments conducted in Tanzania and Rwanda in 2015; and Colombia, El Salvador and Bolivia in 2016.

<sup>4</sup> Including the workshops hosted in Paraguay and Colombia in 2014; Bolivia, El Salvador, Costa Rica and Rwanda in 2015; and Honduras in 2016.

<sup>5</sup> We restate 2015 number as our operations in Colombia already had CSAC blocking in place, in line with the country's legislative requirements.



## Growing responsibly and with purpose – continued

### 3. Acting responsibly: anti-corruption compliance



#### Progress in 2016

This year our focus has been on:

- Appointing a new, dedicated Chief Ethics and Compliance Officer role
- Simplifying our compliance framework by adopting a three pillar approach: prevent, detect and respond
- Rolling out standardized compliance training across all operations

Millicom has a zero-tolerance policy towards any and all forms of bribery, corruption, extortion and fraud. We are committed to doing business the right way in every environment in which we operate.

We continued to further strengthen our compliance framework, including getting better understanding of compliance risks and increased engagement within the business.

We rolled out Group-wide, standardized training on our Code of Conduct ("the Code"),

anti-bribery and anti-corruption (ABAC), and anti-money laundering (AML). We also strengthened our capabilities and internal controls around AML, with standardized training framework launched for all our Mobile Financial Services (MFS) staff.

Our new Chief Ethics and Compliance Officer, reports directly to our Board, with a dotted line to our CEO. Our governance structure can be found in the Governance section of this report, on pages 124-125.

#### Embedding a robust Code of Conduct

Our communication campaigns for current staff, as well as new starters, aim to have all employees acknowledge the Code formally and declare any potential conflicts of interest.

The mandatory Code training launched across all our operations with an easy-to-access online learning course and face-to-face sessions. By the end of 2016, 92%<sup>1</sup> of our employees completed the training on our Code, its application and how to raise any concerns around unethical behavior.

Building on the ABAC training delivered to senior management and high risk groups in 2015, we are further rolling out the ABAC training to staff at all levels.

Moving forward, the mandatory training will have to be completed by all employees annually. In 2017, we will be expanding our 90% completion target for Code training to ABAC training as well.

We also continued to promote our independently-run Millicom Ethics Line, which allows employees and third parties to raise concerns anonymously. As per our Code, we reiterate the protection of whistleblowers and our non-retaliation policy for all good faith reports of wrongdoing.

#### Strengthening our AML and anti-fraud capabilities

With the growth of our MFS business regulations are increasing in our markets around the monitoring and registration of MFS providers. We have further strengthened our internal capabilities and provided extensive support to our operations as part of our registration process and we are reinforcing our AML controls. We hired centralized resources for both of our regions to act as regional AML program managers.

We have a three-staged approach in ensuring we have a robust AML framework: our AML team continues to work closely with our internal control functions in conducting self-assessment campaigns against AML-related controls. Our regional AML program managers then conduct regular reviews of AML measures. Finally, our internal audit team conduct audits into the AML practices currently in place.

In 2016, we conducted internal audits in three of our largest MFS markets; El Salvador, Paraguay and Tanzania. Remediation plans were put in place and executed following the audits.

We also revised our AML training program, and delivered a standardized training program to all our local AML officers. In 2017, we will roll out this training program to all our MFS staff.

We have renewed our corporate membership of the Association of Certified Fraud Examiners with a higher tier, which means we have more ACFE members across our operations compared to our previous membership year.

We have a number of colleagues currently progressing towards the certified fraud examiner qualification and will increase this further in 2017 as we continue to professionalize our network.

In 2016, we achieved greater visibility on fraud through quarterly trend analyses. These fraud reports are then submitted to the Audit Committee of the Board.



**81% of our employees acknowledged our Code of Conduct.**

<sup>1</sup> Excluding Comcel. Compliance is working closely with local management to roll out a tailored solution.



## Growing responsibly and with purpose – continued

### 3. Acting responsibly: anti-corruption compliance

#### Key

- ✓ Completed/achieved
- ⊖ In progress

## Our performance

Five-year plan objectives (by 2018):

- Continue external and internal monitoring of the anti-bribery and anti-corruption (ABAC) program enhancements with a view to measure the maturity level of the compliance framework over time
- Embed compliance risk management into business risk management at global, regional and local level
- Third party due diligence for end-to-end process, from landowners to suppliers, IT software providers etc. based on risk level

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
<b>Code of Conduct</b>	<b>All employees have acknowledged the Code</b>	⊖	Through the global Code training and awareness campaigns, the number of employees who acknowledged the Code more than doubled. Despite this significant increase, we are still in the process of achieving 100% completion.	% of employees who acknowledged the Code	70%	52%	<b>81%</b> <sup>1</sup>	All employees to acknowledge the Code
<b>Training</b>	<b>85% employees to complete the Code training<sup>2</sup></b>	✓	The Code training has been rolled out to all employees, where we exceed the completion target.	% of employees who have completed the Code training	New KPI for 2016		<b>92%</b> <sup>3</sup>	90% of employees to complete the Code and ABAC training
	<b>ABAC training completed by all senior staff and high risk groups</b>	⊖	ABAC training was rolled out beyond senior staff and high risk groups, with 45% of all our employees completing the training this year.	% of procurement staff trained on ABAC % of senior managers trained on ABAC	N/A N/A	32% 63%	<b>44%</b> <b>65%</b>	Incorporate elements of the Code and ABAC training into onboarding training
<b>Conflict of interest declaration</b>	<b>All employees have filled and signed the conflict of interest declaration form</b>	⊖	In all operations, we ran a communication campaign on disclosure requirements around any perceived, actual and potential conflicts of interest. All cases reported were reviewed and closed.	% of employees who filled and signed the conflict of interest declaration form	67%	57%	<b>74%</b> <sup>1</sup>	All employees to complete and sign the conflict of interest declaration form

<sup>1</sup> As the signings data is in line with CR performance data reporting period of Q4 2015 to Q3 2016, percentage is calculated based on headcount as of end of Q3 2016.

<sup>2</sup> To ensure all our employees can access the training, we launched the Code training in both elearning and face-to-face formats, and therefore have slightly reworded this KPI for the 2016 report to reflect all training delivered. Employees will be required to complete a training session on both Code of Conduct and anti-bribery and anti-corruption at least once a year.

<sup>3</sup> Excluding Comcel. Compliance is working closely with local management to roll out a tailored solution.

## Growing responsibly and with purpose – continued

### 3. Acting responsibly: anti-corruption compliance

#### Key

- ✓ Completed/achieved
- In progress

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
Whistle-blowing	Continue to align management of cases reported to joint tools and guidelines; promote our Millicom Ethics Line and encourage employees to raise potential concerns	✓	We established a Group-level committee with compliance, HR, fraud management and corporate security functions to streamline the investigations process.	Number of cases of unethical behavior reported and investigated	110	156	<b>97</b>	Continue strengthening the global investigations process
				Investigations resulting in written warning	8	16	<b>6</b>	Run a communication campaign around Millicom Ethics Line
			We promoted the Millicom Ethics Line as part of the CoC and ABAC training sessions, with posters and communication campaigns.	Investigations resulting in termination of employee contract	54	6	<b>18</b>	90% completion rate on CoC and ABAC trainings, which feature guidelines on how to raise concerns and non-retaliation policies for all good-faith reports of wrong-doing
Anti-money laundering	Strengthen internal AML controls and conduct AML audits	✓	Each operation conducted a self-assessment against AML-related controls.	% of operations offering MFS with AML controls systematically applied	New KPI for 2017			All operations offering MFS to have AML controls systematically applied
			We conducted audits in three of our largest Mobile Financial Services (MFS) markets.	% revenue from MFS represented by operations audited for AML controls	New KPI for 2016		<b>83%</b>	Conduct audits in each market in a three year cycle
Third-party risk management and anti-corruption measures	Map our land rights management process with a pilot operation to understand environmental and social impacts (including corruption risk)	—	We conducted audits on our compliance framework, including transactions for network deployment and land permits practices and ABAC-related risks.	% of operations we conducted a compliance risk assessment or audit	New KPI for 2017			Include land rights management and related transactional elements in the quarterly compliance monitor plan.
	Monitor turnover of procurement staff as a high risk employee group <sup>1</sup>	—	We continue monitoring turnover rate.	Turnover of procurement staff	N/A	14%	<b>14%</b>	Monitor turnover of procurement staff as a high risk employee group

<sup>1</sup> Low turnover could indicate heightened ABAC or fraud-related risks.

#### Overview of cases reported to Millicom Ethics Line<sup>2</sup>

Topic	Number of cases reported and investigated	Cases ending in written warning	Cases resulting in termination
Bribery and corruption	8	0	1
Discrimination and harassment	12	0	0
Human rights and labor	17	0	0
Conflict of interest	14	2	1
Fraud	15	1	5
Other	19	0	2
<b>Total</b>	<b>85</b>	<b>3</b>	<b>9</b>

<sup>2</sup> This table covers only cases reported to Millicom Ethics Line and excludes cases reported to TigoOne's Línea Ética, as we further align case category descriptions. Total cases reported in the KPIs table prior to this table include cases reported to both Millicom Ethics Line and TigoOne Línea Ética.

## Growing responsibly and with purpose – continued

# 4. Reducing our environmental footprint



### Progress in 2016

This year our focus has been on:

- Aligning our environmental efforts with our corporate efficiency program, HEAT, to deliver cost and carbon savings by reducing network energy consumption and integrating fleet and facilities management
- Modernizing and improving the energy efficiency of data centers
- Rolling out of our responsible electronic waste (e-waste) management program in more countries
- Achieving ISO 14001 certifications

We have updated our Group Environment Policy, which now establishes clear governance structure to manage our environmental impacts and outline the roles and responsibilities of each function in protecting the environment.

We continue to focus our efforts on activities that have the highest environmental impact, in particular, reducing energy consumption and rolling out our global e-waste management program.

Progress has been good in implementing our global responsible e-waste recycling program across all operations by 2018, with eight operations running the program by the end of the year.

As we reached our long-term goals to reduce our energy consumption by 50% by 2020 compared to 2008 baseline, we are now exploring opportunities to further align our environmental work with business priorities. This year there is an 8% year-on-year absolute reduction in our CO<sub>2</sub>e emissions.

We are pleased to have achieved certification against the world's leading environmental management standard ISO 14001 for our corporate offices and data centers and critical sites in Honduras, the second operation after Colombia to achieve this certification. Our aim is to certify all other operations in 2017.

### Energy efficiency

Last year electricity and fuel costs accounted for one quarter of our site management and maintenance costs. This, combined with our commitment to better environmental stewardship, makes reducing our energy consumption a priority.

As we continue to upgrade our network, we will roll out single-RAN technology across our sites – this technology allows mobile operators to reduce energy consumption by an estimated 30% by hosting different nodes such as 2G and 3G in one box. We are including environmental impact and energy reduction measurements to the Group-wide operational efficiency program HEAT to help us quantify savings.

To reduce our energy consumption of our networks sites, we continued to modernize our network with more energy-efficient equipment, increased network sharing and reduced the use of cooling solutions. We also invested in alternative energies, such as solar power and hybrid battery solutions, for powering sites in remote “off-grid” areas.

With The Digital Lifestyle™ strategy, larger data centers are needed. We have taken a proactive approach to energy management when building new state-of-the-art facilities and modernizing those already operating. The new and improved data centers we have introduced in 2016 offer increased safety and security and have significantly improved power usage effectiveness (PUE).

Following a US\$20m initial investment in data centers in Chad, Tanzania, Ghana and Paraguay, we are now investing a further US\$27m in those in Colombia, Senegal, Bolivia and Guatemala in 2017. Work for modernized data centers in Senegal and Bolivia, and a new Tier 3 center in Colombia are well advanced.

We are also working towards achieving a Silver certification for “Certified Energy Efficient Datacenter Award (CEEDA)” for Tigo Paraguay and Tigo Tanzania data centers. We expect to deliver this in early 2017 for our first site.

### Electronic waste management

Electronic waste (e-waste) continues to be a key focus of our environmental management work due to potentially high environmental and reputational risks – and the need to take a proactive approach in markets where infrastructure for responsible e-waste treatment may be missing.

In 2016, we performed a thorough review of the implementation, gaps and impact of our e-waste management practices in all our operations. This has helped us create roadmaps for countries who do not yet apply the program. This year we were also able to map for the first time the savings the program is delivering in warehouse costs due to reducing storage needs. Out of 13 operations, eight are now running on the Group program.

**Over  
US\$678,800**

raised from sale of e-waste through responsible recycling program in 2016<sup>1</sup>

<sup>1</sup> Excluding the monetary value of the e-waste sales from our operations in Senegal in 2016, as we finalize the clear out.

## Growing responsibly and with purpose – continued

### 4. Reducing our environmental footprint

#### E-waste recycled through our responsible waste management program

Country	Quantity of e-waste recycled (t)
<b>Chad</b>	Country set up on the program, recycling in progress
<b>Colombia</b>	206
<b>Costa Rica</b>	89
<b>El Salvador</b>	101
<b>Paraguay</b>	267
<b>Rwanda</b>	Country set up on the program, recycling in progress
<b>Senegal</b>	84
<b>Tanzania</b>	75

#### Energy use

##### Sources of energy by asset type

	Fuel (L '000)	Energy from fuel (MWh)	Electricity (MWh) <sup>3</sup>
<b>Base station and fixed network sites</b>	16,474	164,469	464,483
<b>Our fleet</b>	9,713	93,202	N/A
<b>Data centers and offices<sup>1,2</sup></b>	4,218	42,084	50,235
<b>Shops</b>	268	2,678	17,254

##### Sources of energy for our assets, excluding fleet

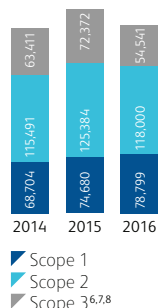
	Total energy consumption (MWh)	Energy from diesel (%) <sup>*</sup>	Energy from electricity (%) <sup>*</sup>
<b>Latin America</b>	562,346	15	85
<b>Africa</b>	178,163	69	31

\* As a percentage of total energy consumption.

- As the majority of our data centers are co-located with our offices, they often do not have separate meters to enable us report on data center consumption separately. With our data center program roll-out, we will be able to measure data center energy consumption individually.
- For two of our operations, we account for some data center electricity consumption under network sites. As we further roll out our data center improvement program, we aim to be able to report data center consumption separately.
- Including 377 MWh electricity generated from solar panels at our sites. Electricity consumption from solar panels have been estimated based on average consumption per site or solar panel, and differences in solar radiation in our geographies. We are working towards improving the accuracy of our renewable energy consumption.
- Emissions from fuel are calculated using Defra's 2016 Greenhouse Gas Reporting Conversion Factors.
- Emissions from electricity are calculated using World Resources Institute (2015) GHG Protocol tool for stationary combustion, version 4.7.

- Scope 3 emissions account for emissions from our base station sites power managed by a supplier (accounting for 93% of total scope 3 emissions, same as 2015) and air travel (7%).
- Carbon emissions from sites power managed by a third party in one operation are estimated based on 2015 figures, taking into account the change in total number of sites managed by the third party.
- Air travel data for Bolivia is extrapolated for the 12 month period based on the data available for nine months.

#### Our carbon footprint<sup>4,5</sup> tonnes CO<sub>2</sub>e



3.5 times as much e-waste recycled through responsible e-waste management program in 2016<sup>9</sup>

#### Total weight of e-waste recycled through our responsible e-waste management program (tonnes)



#### Sources of energy for our assets



■ Diesel  
■ Electricity

#### Total energy consumption MWh



All countries ISO 14001 certified by end of 2017<sup>9</sup>



## Growing responsibly and with purpose – continued

### 4. Reducing our environmental footprint



#### Promoting circular economy

Building on our focus on e-waste, our operations in LatAm have worked on innovative solutions promoting circular economy with other types of waste our operations generate. Our team in Bolivia has developed an upcycling project where 45 students, from underprivileged backgrounds within Bolivia's three main cities, participate in building furniture made from warehouse pallets that would otherwise have been disposed of. The finished furniture is being used in our Tigocitos (crèches) and shelters. As the project evolves, we aim to create a business model to sell the furniture. We completed the first phase of this upcycling project and expect to apply the project nationwide during next year.

In El Salvador, we work with a supplier who makes bags and backpacks from old banners and promotional material. We distribute these, equipped with other school material, to children as part of our educational program.



#### Environmental impact project continues in Paraguay

In the second year of its environmental impact assessment project, Tigo Paraguay launched a waste management campaign to reduce, reuse and recycle waste. The Green Committee oversees the program to promote recycling habits and establish a comprehensive waste management system that colleagues will use. Once we have measured the amount of basic waste disposed of from our main offices, the plan is to expand this campaign to all offices in Asuncion and progressively to the whole country. Our focus is on achieving a cost-benefit model through programs of recycling paper for our offices, generating jobs for local recyclers and selling reusable products, thus promoting a culture of reduction, reuse and recycling and environmental awareness.



Our new built, energy efficient data center in Paraguay



#### Using mobile technology to reduce our employees' commuting footprint

TigoOne signed a commercial agreement with Wheels, a company providing sustainable mobility solutions. The app is a social network allowing employees to share their private car or taxi with other employees. It is now used in seven locations between Bogota and Medellin and more than 460 employees have subscribed to it. With traffic congestion regulations limiting use of cars, this initiative also helps our employees to commute more easily.

#### Tigo Costa Rica goes carbon neutral

With the Costa Rican government's ambitious target for the country to be carbon neutral by 2021, Tigo Costa Rica is leading the way with its own carbon emissions mapping project. Since 2015, we have been following the international ISO 14064 standard and built a GHG emissions inventory for our facilities in San José and our entire fleet. This year we delivered training on carbon neutrality for all our fleet, facilities and CR teams; and are implementing an energy reduction plan. We aim to achieve carbon neutrality certification over the next year.

## Growing responsibly and with purpose – continued

### 4. Reducing our environmental footprint

#### Key

- ✓ Completed/achieved
- In progress

### Our performance

Five-year plan objectives (by 2018):

- Establish a cross-functional steering committee and global energy reduction and green energy strategy
- Global e-waste process implemented in all operations to manage e-waste through responsible vendors
- Extend environmental reporting to consider emissions relating to logistics and supply chain

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
E-waste	Identify high-risk operations where e-waste is not managed in line with Millicom's global policy, and set up programs at these operations as priority	—	We conducted a review of all operations to identify current e-waste management approach, and alignment with Group e-waste policy. We are developing roadmaps for operations that are not set on the Group program.	% of operations set up on our global responsible e-waste recycling program	15%	38%	<b>62%</b>	Roll out the program in at least 10 operations, accounting for over 75%
	Update Millicom's environment and e-waste management policies	✓	Millicom's revised Group environment policy was updated and signed off by senior management.	% of operations with controls systematically applied in line with the environment policy	New KPI for 2017			Develop and roll out an implementation manual for the environment policy and update the internal control manual accordingly
Energy consumption and carbon emissions	Reduce energy consumption	✓	While we have several energy saving initiatives across our operations and our normalized energy consumption is decreasing, we are still working on gaining better visibility on quantifying energy reductions achieved via individual initiatives. There is an 8% year-on-year absolute reduction in CO <sub>2</sub> e emissions.  This year we are changing the way we normalize our CO <sub>2</sub> e to report "tonnes of CO <sub>2</sub> e emissions per US\$1,000 revenue". This is more representative of our business activities and covers emissions from both mobile and cable services.	Tonnes of CO <sub>2</sub> e emissions per US\$1,000 revenue	0.039	0.043	<b>0.040</b>	Quantify emissions savings achieved through key HEAT initiatives, including network energy consumption and logistics  Set new long-term carbon reduction targets
				% of base stations using green power or site sharing	Expanded KPI scope for 2016		<b>25%</b>	
				% of base stations on single RAN technology	N/A	58%	<b>55%</b>	
				Energy consumption by technical and administrative sites and fleet	See 2014 CR report page 43.	See 2015 CR report page 28.	See page 71 for breakdown.	
Target setting	Review environmental target setting process and approach to science-based targets for carbon reduction and set new long-term targets	—	We have not yet replaced our 2020 target which we achieved in 2015.		As we achieved our 2020 "CO <sub>2</sub> e per base station" target last year, we now monitor tonnes of CO <sub>2</sub> e emissions per US\$1,000 revenue and subsequent reductions.			Carry out environmental impact assessments to identify areas of highest impact and control over the reduction of the impact

## Growing responsibly and with purpose – continued

# 5. Diversity

## Progress in 2016

This year our focus has been on:

- Delivering diversity and inclusion training and awareness for executives
- Supporting female entrepreneurship and building our female customer base

New business models, innovation, better creativity and ability to respond to more fragmented customer segments make diversity a crucial business issue. In our markets, female customers in particular represent an enormous opportunity. There is a clear gender gap in adoption of the services we sell and women have felt underserved by the digital industry. Improved diversity will enable us to

tap into this market by providing relevant and useful content and services.

This year we continued to highlight the business case of diversity by demonstrating its power to help us grow. We have also promoted inclusion and trained management on unconscious bias in the workplace.



### A diverse workplace

We are proud that our workforce is culturally diverse with 82 nationalities. When we first started our diversity program in 2014, the gender balance at senior management level was very low compared to the gender balance across our overall employee base.

We continue to work to increase the number of women in senior management. The trends have been positive in our two regions, with the number of women in senior positions rising from 7% in 2013 to 26% in Africa, and from 27% in 2015 to 31% in LatAm in 2016. In our corporate offices 20% of senior roles are held by women.

In 2016 the proportion of women in our employee base is 39%. With the percentage of women in top 680 management roles increasing from 25% in 2015 to 29% in 2016. We are committed to continuing this steady progress.

In our 2015 report, we outlined our ambition to establish a Company-wide diversity steering group comprising members of the Executive Committee and senior management. We are preparing to start diversity and inclusion committees for our corporate offices and operations. The goal of the committees will be to promote the creation of an inclusive workplace, where our employees' different strengths are celebrated, valued and utilized.

We did not meet our 2016 target to conduct an equal pay audit. The audit was postponed pending further alignment of job grading and responsibilities, a prerequisite for a successful audit.

### Training and awareness

In 2016, we carried out training on gender diversity, inclusion and unconscious bias to senior executives in two separate workshops. This training – focused on understanding the value of diversity, recognizing unconscious bias, and building an inclusive workplace – has been adapted to be rolled out to our staff across corporate offices and markets. The first of such one-day workshops took place in Guatemala in December 2016.

### Closing the digital gap for women

The mobile operator association GSMA estimates that 200 million fewer women own a mobile phone than men in low and middle income countries. Bringing balance could unlock up to US\$170 billion globally for the mobile industry before 2020.

Gaining more women customers represents a great business opportunity for Millicom. We are also working to better support women entrepreneurs in the communities in which we work.

Millicom is particularly proud of our involvement with the GSMA's Connected Women Initiative that is helping our industry focus on reducing the gender gap in the adoption of mobile internet and mobile money service.

## Supporting employees with children

Turnover of younger women has been high in Millicom. To offer concrete support to employees returning to work after maternity leave, we have promoted a shortened working week for breastfeeding mothers and established dedicated nursing rooms in most of our LatAm operations: Bolivia, El Salvador, Paraguay, Honduras and Guatemala, with our offices in Colombia and Costa Rica to follow shortly.

In Bolivia, we also offer childcare services in the workplace. 190 of our female employees and 80 of our male employees use one of the eight nurseries we have across our operations in the country. We are also encouraging our employees – both men and women – to take their full parental leave.



Steady progress increasing women in senior roles”

## Growing responsibly and with purpose – continued

### 5. Diversity

#### Key

- ✓ Completed/achieved
- In progress

In 2016, Millicom became the first operator to commit all of its African operations to the initiative. The first African operator to sign up, Tigo Rwanda, committed to increase the percentage of women accessing its mobile financial platform “Tigo Cash” from 39% of total users to 45% by 2020.

Tigo Paraguay in turn became the first operator in Latin America to sign the Connected Women Commitment.

During National Women’s Week in Chad, Tigo Chad hosted a “Women entrepreneurship and ICT” event to highlight the significance of digital tools for women and in particular the benefits of Mobile Financial Services (MFS) solutions. The event showcased Tigo Paaré, an innovative group loan service that has already benefited hundreds of women entrepreneurs in getting crowdfunding to start or expand their own businesses.

Additionally, this program reached out to the Ministry of the Woman, where 13 female employees received a certificate for completing a six-week digital training on Microsoft Office, mobile internet and Mobile Financial Services. Training on digital tools for women are also held in cooperation with Technidev, winner of the 2015 Tigo Digital Changemakers Award and the Association for the Education Action and Advancement of Women (AEPF).

### Our performance

Five-year plan objectives (by 2018):

- Increase the number of women among senior managers each year
- Establish a Group-wide maternity and paternity leave policy, to also include a shortened working week for breastfeeding mothers

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
<b>Family-friendly policies</b>	<b>Establish breastfeeding rooms in 50% of operations</b>	—	At the end of 2016, we had nursing rooms in five operations across LatAm, representing 38% of our operations. We also introduced these facilities in Miami and Luxembourg corporate offices.	% of operations with breastfeeding rooms	New KPI for 2016		<b>38%</b>	Establish nursing rooms in all remaining LatAm operations and our London corporate office
<b>Female representation in the workforce</b>	<b>Increase % of women in senior management positions</b>	—	For our work in 2016, see page 74.	% of women in senior management positions	22%	25% <sup>1</sup>	<b>29%<sup>1</sup></b>	Increase % of women in senior management positions to align with % of women across our employee base
				% of women across our employee base	33%	34%	<b>39%</b>	
	<b>Reduce turnover rate for women under 30</b>	—	For initiatives we delivered, see case study on “supporting employees with children” on page 74.	Turnover rate for women under 30	28%	18%	<b>21%</b>	Reduce turnover rate for women under 30

<sup>1</sup> In 2016, we clarified and updated the definition of senior management to represent key decision making roles across our business, such as our CEO or General Managers, their direct reports and heads of departments. This represents top 680 senior manager roles, whereas in the previous years, our report was based on a grading structure which was similarly representative at over 600 senior managers.



## Growing responsibly and with purpose – continued

# 6. Taking care of our people: health and safety



### Progress in 2016

This year our focus has been on:

- Committing to zero-fatality business
- Introducing a risk-based approach to health and safety by country

We work in countries where health and safety (H&S) practices are evolving and where related regulation may not exist or is not consistently enforced. Some of our countries also experience high rates of violent crime, extreme weather events or threat of terrorism, so we need to be particularly vigilant to mitigate risks to our employees.

Due to the lack of uniform H&S regulation in our countries, it is essential that we remain

diligent and ensure compliance with all local legislation, but also go beyond legal compliance by aligning to global standards.

In 2016, our focus was on adopting a risk based approach, carrying out risk assessments in each operation and implementing mitigation plans. We ensure a consistent approach by rolling out an H&S management system aligned to international H&S standard OHSAS 18001.

In our previous reports, we covered a number of topics relating to health, safety, wellbeing, development and career progression of our employees under “Taking care of our people” section. This year, as we integrate our reporting, employment and career-development related topics are now reported under “Our people and partnerships” section, from pages 21-22.

For more information on governance of health and safety, see pages 125-126.

#### A zero-fatality commitment

Our goal is to have zero avoidable incidents and accidents and we have engendered this culture from the bottom up by empowering local health and safety officers. This has been done through a global policy endorsed

personally by our CEO and delivered to all CEOs of our subsidiaries. Our zero fatalities approach applies not only to employees directly employed by us but also to contractors on whom we depend on for many high risk areas, such as network maintenance. In 2016, we had zero fatalities amongst employees and contractor fatalities fell to five from 16 the previous year.

Our Colombia, Honduras, Bolivia and corporate offices are already certified against the international health and safety standard OHSAS 18001 and we are well on track to achieve certification for all operations by the end of 2017.

#### Risk-based approach

We achieved our target to conduct risk assessments in each of our operations in 2016 to identify highest health and safety risk areas and develop mitigation plans for top five risks. Most common risks identified and subsequent mitigation plans we worked on were:

- Working at heights: we require all engineers working on our towers to wear suitable personal protective equipment (PPE). We conduct random site inspections to ensure all engineers follow this. We also continue to require all engineers to demonstrate their level of safety competency via a Safety Passport.
- Electrical safety: same requirements apply as per working at heights. We also continuously review alternative means of installing cables to minimize the risks of working with overhead cables.

- Management of road risk: with vehicle tracking and speed monitoring equipment installed in our fleet in almost all our operations, we are focusing our efforts on monitoring driver patterns and promoting safe driving.

- Personal safety and security: we continue providing travel safety information, security bulletins and briefings. We are conducting two pilots in Bolivia and Honduras to develop and implement a personal alarm and security app.

- Control of our contractors: we request all suppliers to sign our Supplier Code of Conduct and align with our requirements on incident reporting, health and safety management and use of personal protective requirements. We also conduct unannounced site inspections and request mitigation plans.

We are committed to having a health and safety committee that meets quarterly in each of our markets. The vast majority of our workforce is already represented by an H&S committee, at 76%.

In 2017, we will continue reviewing risk assessments for each country on a quarterly basis. Senior management and the Board receive reports on progress and incidents on a monthly basis.



## Growing responsibly and with purpose – continued

### 6. Taking care of our people: health and safety

#### Key

- ✓ Completed/achieved
- ⊖ In progress

### Our performance

Five-year plan objectives (by 2018):

- Continue our zero-fatality commitment
- Review risk assessments for each country on a quarterly basis and update and manage as required
- Continue reporting to senior management and the Board on progress and incidents on a monthly basis

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
Alignment with international H&S standards and Millicom's own policies	Conduct internal audits to assess compliance with the new H&S policy and Millicom Safety Rules	✓	We audited each operation in 2016 at least once a year; with audit control documents and mitigation plans in line with our internal controls. Additional OHSAS 18001 certification audits in Bolivia, Colombia, Honduras and our corporate offices.	% of operations with controls systematically applied in line with our Group H&S policy	New KPI for 2016		100%	Continue conducting internal audits to assess compliance with our H&S policy and internal controls
	Achieve OHSAS 18001 certification for our corporate offices	✓	Our corporate offices and operations in Bolivia and Honduras have achieved OHSAS 18001 certification; with our Colombia operation renewing their certificate.	% of operations in line with OHSAS 18001	14%	100%	100%	Achieve OHSAS 18001 certification for all remaining operations
				% of operations certified against OHSAS 18001 <sup>1</sup>	N/A	8%	23%	
Incident reporting	Continue improving our incident reporting and reinforcing zero-fatality commitment	✓	For our work on identifying and mitigating H&S risks, and reducing incident rates, see "Risk-based approach" on page 76.	% of workforce represented in H&S committees	70%	91%	76%	All operations to have a H&S committee in place with employee representation, that meets on a regular basis
				Number of employee fatalities <sup>2</sup>	1	1	0	Continue zero-fatality commitment for our employees and all contractors
				Number of contractor fatalities <sup>2</sup>	6	16	5	Improve incident reporting across all operations
				Number of H&S incidents reported	N/A	305	155	All significant events to be reported within 24 hours
				Lost-time injury rate per 1,000 workers <sup>3</sup>	N/A	1.26	1.47	
				Absentee rate	0.62%	0.71%	0.68%	

<sup>1</sup> We introduce this KPI in our 2016 report to align with our target of achieving OHSAS 18001 certification across all operations. In 2015, out of 12 of our operations – excluding Tigo DR which was sold in early 2016 and Zantel as we worked on integration, our Colombia operation was certified. In 2016, our Bolivia, Colombia and Honduras operations were certified.

<sup>2</sup> Numbers of employee and contractor fatalities reported for 2016 are aligned with the financial year, same as 2014 and 2015 numbers reported.

<sup>3</sup> Our incident management tool is available for all employees and outsourced workers to report incidents. Although 2015 numbers were calculated based on all incidents reported by both worker categories, they were incorrectly reported as 1,000 employees in the 2015 CR report. In this report, we have reinstated the KPI as per 1,000 workers.

## Growing responsibly and with purpose – continued

# 7. Responsible supply chain management



## Progress in 2016

This year our focus has been on:

- Identifying material risks by supplier category
- Delivering training for our procurement teams and suppliers on responsible supply chain management

We rely on thousands of suppliers around the world, from small local vendors to multinational corporations to deliver our services. How they behave and the job they do reflects on our reputation, so it is essential we work in tandem to ensure we share the same expectations and practices in acting responsibly

Following the EcoVadis assessments we conducted in 2015 with strategic suppliers in high risk categories, this year we commissioned Business for Social Responsibility (BSR) to conduct a supply chain risk materiality analysis. The results have helped us understand key risks in each supplier spend category and are used to identify priority areas for corrective actions.

## Improving supplier performance and managing risk

With 221 assessments requested from suppliers on EcoVadis since 2015<sup>1</sup>, we now have a better view of the main risks our suppliers represent and can mitigate these through corrective action plans.

This year we invited an additional 124 suppliers to complete assessments. The group of suppliers invited for assessments represented the highest risk category identified in the BSR review, such as suppliers of contingent labor, security services, call centers and car fleet providers. Going forward, our focus will be to get all of our high spend suppliers in risk categories to complete EcoVadis assessments, and to engage with low performers for improvement plans, as well as re-invite those suppliers who

scored below 35/100 to re-assess their progress. Low scoring suppliers will also be the target of our training efforts in 2017.

The 100 suppliers who responded to one of our three campaigns represent 48%<sup>2</sup> of our supplier spend. Their average score was 43/100, which is slightly above EcoVadis average of 42/100.

From the respondents, 38 fell below our threshold assessment score of 35/100. We created corrective action plans for each of these suppliers. We engage with these suppliers to follow the implementation of these action plans and have already seen improvements to supplier performance, for example with our suppliers in Colombia. See below for more detail.

## Supplier training

All of our procurement team members, regardless of the supply categories they manage, were invited to a training on the EcoVadis tool and assessment process in 2015. 79%<sup>4</sup> of all global and local procurement teams have participated in training on responsible supply chain management and how to communicate with suppliers on sustainability since 2015.

In 2016, the same buyers have received further training on the EcoVadis tool, specifically on how to analyze supplier assessment results and create and follow up corrective action plans. Over 50% of all procurement team members participated to these trainings. In addition, CR teams in all markets participated in the same training and received further in-depth training to be able to work with procurement in follow up actions and engagement.

## Supplier assessments on EcoVadis<sup>3</sup>

Since launch in 2015, until the end of 2016

Total number of suppliers invited to complete an EcoVadis assessment	221
Total number of suppliers who completed the assessment	100
Total number of suppliers that do not fulfill our requirements	38
Number of suppliers with improved scores following implementing corrective action plans (CAPs)	2

## Number of corrective action plans (CAPs) requested by category

	Environmental	Labor rights	Fair business practices	Sustainable procurement
Number of CAPs requested from suppliers by EcoVadis categories	35	108	73	44

<sup>1</sup> Suppliers still active on the EcoVadis platform at the end of 2016.

<sup>2</sup> Based on 2015 spend. Additionally, three suppliers assessed were part of a tender, so do not account for overall spend data.

<sup>3</sup> Since launch in 2015, until the end of 2016.

<sup>4</sup> As a percentage of those who were invited to training. In 2016, we focused our training efforts around implementing corrective action plans.

## Growing responsibly and with purpose – continued

### 7. Responsible supply chain management

#### Key

- ✓ Completed/achieved
- In progress

When our high-risk, high-spend suppliers have scored poorly in EcoVadis assessments, we have accelerated training in CR in selected countries:

- In Colombia we have established a stakeholder engagement strategy to share corporate responsibility information among our suppliers. In April and December 2016, respectively 50 and over 300 suppliers attended training focusing on compliance. Additionally,

TigoUne has engaged with specific suppliers and provided hands-on support focusing on key gap areas identified in their EcoVadis assessment.

- In Paraguay, we introduced a capacity building program with eight key SME suppliers, each receiving in-depth training on ethical business conduct, labor conditions, environmental management and customer management.

- In El Salvador we partnered with a local CR organization, FUNDEMAS, on supplier training.

In 2017, we will partner with an organization that specializes in delivering CR-related training, and roll out this training to suppliers across Latin America.

### Our performance

Five-year plan objectives (by 2018):

- Full supplier monitoring program in place, including self-assessments and on-site audits
- Support capacity building of local suppliers to manage CR-related risks

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
Supplier monitoring	Ensure all suppliers sign the Supplier Code of Conduct ("Supplier Code") <sup>1</sup>	—	We developed a template for tracking Supplier Code signings, and rolled this out across operations; and shared guidelines on how to manage cases where a supplier refuses to sign the Supplier Code and escalation of such cases to the Group.	% of strategic <sup>2</sup> suppliers who signed the Supplier Code	61%	79%	<b>79%</b>	Expand reporting to % of suppliers who refuse to sign the Code and how we manage those cases, in line with our Supplier Code Guidelines
	Conduct at least two EcoVadis assessment campaigns, based on materiality assessment	—	Although we only conducted one campaign, the number of suppliers invited was significantly higher than the previous campaigns.  See "Improving supplier performance and managing risk" section for more KPIs on EcoVadis assessments.	% of all suppliers who have signed the Supplier Code  % of spend represented by suppliers who completed assessments on EcoVadis to date <sup>3</sup>	9%	27%	<b>36%</b>	
Training to staff on responsible supply chain management	Provide training to procurement staff on implementing and following corrective action plans on EcoVadis	✓	We delivered training to procurement and CR teams on EcoVadis and how to implement corrective action plans with suppliers.	% of procurement teams trained on responsible supply chain management <sup>4</sup>	N/A	65%	<b>79%</b>	Continue to provide training to procurement staff on implementing and following corrective action plans on EcoVadis
Supplier capacity building	Provide training to suppliers in responsible business practices	✓	We already provide training to suppliers on our CR strategy and requirements in a number of our operations.	Number of suppliers trained on Millicom's CR strategy and requirements	New KPI for 2017			Identify a training partner that specializes in CR and jointly roll out training to suppliers across LatAm

<sup>1</sup> Although we have required our suppliers to sign the Supplier Code of Conduct since 2014, this was not expressed as a formal target in the 2015 CR report.

<sup>2</sup> In 2017, we will work towards aligning our reporting definition of "strategic suppliers" with the results of supplier risk materiality analysis and report on percentage of high risk suppliers who signed the supplier Code.

<sup>3</sup> Number of suppliers who have been invited to complete self-assessments since beginning of 2015 until end of year 2016.

<sup>4</sup> As a percentage of those who were invited to training. In 2016, we focused our training efforts around implementing corrective action plans.



## Growing responsibly and with purpose – continued

# 8. Social investment

## Progress in 2016

This year our focus has been on:

- Review of our social investment strategy in Africa to increase digital initiatives
- Multi-country commitments and programs in both Latin America and Africa

Our priority is to align our social investment activities with our core business mission and expertise. To that end, our activities are focusing on supporting digital and financial inclusion, education and entrepreneurship – as well as aligning to our material corporate responsibility issues, such as child online protection and supporting diversity.



### Social investment that draws from our services and expertise

In Africa, we have refined our social investment strategy to have a strong focus on investment themes that will support the growth and success of our business. We also supported our operations in integrating social investment (SI) into external communication and marketing roadmaps, to better connect with our customers and promote the value Tigo brings back to our communities.

In Latin America, we signed a commitment with the Organization of American States and their Americas ICT 2030 Alliance. We pledged to bring internet connection to 2,100 schools and public institutions across our LatAm footprint and implement training programs in child online protection (COP) for parents and teachers by 2030. So far we have connected 1,024 schools and public institutions, giving internet access to 325,000 students in the region. See page 64 on statistics on our COP training programs.

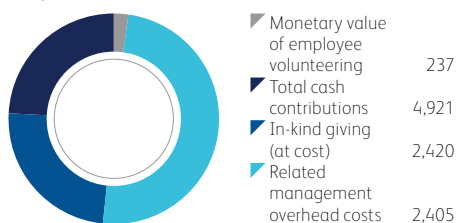
In 2016, we also introduced our global volunteering policy that gives employees the possibility to volunteer for two working days a year.

Our overall monetary donations have decreased as more social investment resources are linked to our core business, such as reducing the gender gap among our customer base and protecting children online. This means our social investments are focused more on developing digital solutions, and providing connectivity, devices and digital literacy training for underprivileged groups.

Going forward, we look to create more multi-country collaborations to increase the impact of our social investments. In line with this aim, in December we pledged to extend our support to UNICEF by collaborating on violence prevention and child protection in Guatemala, Honduras and El Salvador through a donation and collaboration agreement.

This commitment builds on our ongoing collaboration on child rights and will serve to expand existing UNICEF-supported initiatives to improve helplines that ensure children and young people receive support and advice when they experience violence or abuse. With Millicom's support, the helplines will be able to expand their capacity and will build capability to address online crimes such as sexting, grooming and cyber-bullying. Millicom will also share its expertise by providing guidance and technical assistance in deploying and promoting the child helplines.

### Social impact investments in 2016 US\$'000



## Supporting customers with disabilities

Supporting diversity and inclusion has been in focus in many of our activities in 2016.

A visit from 30 students from the Provolo Institute to the Tigo Paraguay offices provided staff with a valuable insight into the lives of those who are hearing-impaired and the daily challenges they face, helping our staff understand diverse requirements of our customers.

Following the visit, we donated a "telecentro" to the institute. These are shipping containers transformed into a classroom fully equipped with IT services and internet. In Paraguay, Tigo has donated around 170 telecentros across the country to date.

Meanwhile, in Tigo Bolivia, we delivered sign language training to 84 customer service staff this year. With 0.5% of the country's population hearing-impaired, this training will help our customer service staff provide support to a wider group of customers. In addition, the program helps raise general awareness on the importance of sign language.

## Growing responsibly and with purpose – continued

### 8. Social investment

# LatAm

## Bolivia

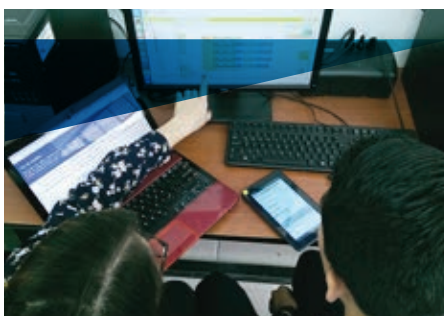
In Bolivia we have played an important role in having 28,280 children registered between January 2014 and September 2016, in partnership with the National Electoral Tribunal (Sereci) and UNICEF. This program allows low-income families and those living in remote areas to access a universal, free of charge and timely birth registration. Beyond supporting economically the implementation of this project, Tigo also provides free internet connection to the Sereci's child registration booths.

## Honduras

Tigo Honduras, in alliance with the Ministry of Environment and Amitigra Foundation, will take part in a reforestation program of 300 hectares of pine trees over the next three years in two areas: Parque Nacional la Tigra and San Jose watershed. The project started in September with 10 hectares, approximately 5,000 pine trees, with 400 Tigo volunteers taking part. This project will be used to offset Tigo Honduras carbon emissions.

## El Salvador

As part of the Adopt a School project, in cooperation with USAID and FEDAPE, Tigo El Salvador inaugurated five digital centers in 2016. Each digital center will have 30 computers and free internet access for a year. We estimate they will benefit more than 2,260 students, 90 teachers and 1,420 families.



## Costa Rica

Tigo Costa Rica in partnership with Fundación Paniamor and Ideas en Acción implemented the "Apps for Good" program that teaches high school children to program apps with social impact. 26 students participating in the pilot learned about responsible and positive uses of technology, social entrepreneurship and programming language, and created six app prototypes.

## Paraguay

Tigo Paraguay continues to support the Ministry of Health in connecting medical staff with their patients across the country online. The aim is to facilitate live medical consultations and remote analysis of medical exams for patients, many of whom would not have had access to such services due to geographic distance and/or other demands on their own resources. Within 18 months of launch, more than 135,000 direct users benefited at no cost to the patients.

This year almost 100 hospitals were connected online to the Telemedicina initiative. The Minister of Health, Dr. Antonio Barrios, said that the program "responds to a big need from many citizens in remote areas", a valuable reason for it to be extended to 176 hospitals.



## Guatemala

Through our digital inclusivity and volunteering programs, we built three new schools and refurbished 53 schools in Guatemala, constructing and furnishing digital classrooms – equipped them with 1,200 computers and internet enabled phones, donated 15 water eco-filters and school kits, with over 1,000 children and 40 teachers benefiting.

## Growing responsibly and with purpose – continued

### 8. Social investment

# Africa



## Rwanda

Launched in June 2016, Ruhunda Ekocenter is a partnership between Tigo Rwanda, Coca Cola, Pentair and Ericsson that provides 25,000 local residents with a hub where they can enjoy wi-fi enabled internet access, mobile charging units and access to clean drinking water.

Through this partnership, we also improved the residents' access to high-speed internet, where we upgraded our services from 2G to 3G. Tigo is also providing free wi-fi access to medical staff the neighboring Ruhunda Health Clinic.

## Chad

Tigo Chad, in partnership with The Digital Changemakers 2015 winner Technidev – a project that provides online quality educational content – launched an online campaign to teach IT skills to 900 young people. In September, all students participated in a ceremony with the Minister of Education and the Minister of Youth to receive a certificate of successful completion. As part of our commitment to promote diversity at our workplace, we are offering internships to ten young women who participated in the training.



## Ghana

The "Literacy 4 Life" reading camps is a project implemented by the 2014 co-winner of Tigo Digital Changemakers Award, Sheila Osei-Boakye. The traveling reading camps are geared towards complementing teachers' efforts by helping to train children to develop the vital literacy skills to become proficient readers. By the end of August 2016, the reading camps had succeeded in visiting all the five rural communities: Afienva, Apollonia, Ashaiman, Otchebleku and Mobole. So far, this project has improved 3,000 children's literacy skills. Literacy 4 Life hopes to eradicate illiteracy among children in Ghana by 2030, and it strives to reach 10,000 children by 2021.

## Volunteering program launches in our corporate offices

To mark the launch of our volunteering program, employees in Luxembourg and London organized fundraising activities to support building of a sewing and embroidery training center at the SOS Village d'Enfants in N'Djamena – an orphanage Tigo Chad has been working with since 2010. Overall, both offices raised over US\$24,300 and organized a total of 13 activities to raise funds.

## Tanzania

Zantel has donated Tshs 10 million to the Association of Seaweed Farmers in Zanzibar. Going forward, Zantel will conduct training for 2,000 women in the year 2016–2017 in entrepreneurship and finance management both online and offline, in collaboration with the University of Zanzibar in areas of management. Seaweed farming is an important economic activity in the communities of the islands of Unguja and Pemba. This type of farming is mostly dominated by women, with 80% of the over 20,000 farmers being women.



## Senegal

In partnership with Reach for Change, Tigo Senegal laid the first cornerstone of the Aiwa CyberCase building in Diakhao, Fatick region in April. The CyberCase will provide a multi-functional room of 50 machines, a video-conference room, a cinema club and an internet cafe. Furthermore, it will also enable women to run their own businesses. Finally, the project aims to establish digital platforms in rural areas and remote locations allowing students to have access to powerful IT tools.



## Growing responsibly and with purpose – continued

### 8. Social investment

#### Key

- ✓ Completed/achieved
- ⊖ In progress

### Our performance

Long-term objectives

- Connect 2,100 schools and public institutions to the internet by 2030 in Latin America
- Implement a volunteering program with digital education initiatives in all our markets by 2020

Topic	2016 target	Status	Our progress in 2016	KPIs	2014	2015	2016	2017 target
Investing for impact	Roll out social impact measurement and report first results in 2016 CR Report	✓	We have defined KPIs for our digital inclusion programs. These align with commitments signed and our COP program.	Schools and public institutions connected to internet	New KPI for 2016		<b>1,061</b>	Additional 100 schools connected in LatAm
				Number of students connected ('000)	New KPI for 2016		<b>375</b>	Additional 50,000 students connected
				% of in-kind contributions directed at digital inclusion initiatives	New KPI for 2016		<b>20%</b>	Increase to 25%
	Continue identifying innovative and digitally driven ideas and solutions	✓	We have continued Tigo Digital Changemakers Award in all Africa countries, and four LatAm countries.	Number of social entrepreneurs supported in operations with Tigo Digital Changemakers Award or similar activities per year	19	17	<b>322<sup>1</sup></b>	Focus on increasing the social impact of entrepreneurs winning the award to date
Volunteering and donations	Roll out volunteering policy and align documentation of volunteering hours	✓	We rolled out our volunteering policy across all operations and corporate offices.	Number of volunteering hours	N/A	20,335	<b>21,915</b>	Increase volunteering hours by 15%
				Monetary value of employee volunteering (US\$'000)	445	247	<b>237</b>	
	Continue social investment through cash and in-kind contributions	✓	Social investments have reduced in line with our operational efficiency initiatives and as we focus our resources more on supporting communities with our products and services.	Total cash contributions (US\$'000)	7,582	5,814	<b>4,921</b>	Continue social investment through cash and in-kind contributions
				Total in-kind contributions (US\$'000)	4,160	3,993	<b>2,420</b>	
				Total management overhead contributions (US\$'000)	1,303	2,357	<b>2,405</b>	

<sup>1</sup> As of 2016, we will report on the total number of social entrepreneurs who receive either financial or mentorship support.



# Awards and performance in 2016

## Latin America:

### Colombia



Held our top place as the most transparent telecommunication company in Colombia on Transparencia por Colombia's transparency index.

### Bolivia



Ranked fourth most sustainable business out of 100 top companies of Bolivia in MERCOSOL's corporate reputation rankings.



Pablo Guardia, Tigo Bolivia General Manager was recognized as a CSR hero for children by UNICEF Bolivia under "Héroes de la RSE por la niñez".

### El Salvador



Tigo El Salvador was recognized as one of the 30 most responsible companies in Central America, in a recent publication by the World Economic Forum.

### Honduras



For the seventh year in a row, Tigo Honduras was recognized as a socially responsible company by Fundahrse.

## Africa:

### Ghana



Tigo Ghana, UNICEF and Births and Deaths Registry's Automated Birth Registration: Changing Lives Award – Africacom awards



Tigo Shelter for Education: CSR initiative of the year – Ghana CSR Excellence Awards



Outstanding Woman in Technology – Roshi Motman, Tigo Ghana CEO – Ghana Information Technology and Telecom Awards



### Inclusion in Ethibel Excellence Investment Register

For the second consecutive year, Millicom International Cellular S.A. has been selected for inclusion in the Ethibel EXCELLENCE Investment Register. This selection by Forum ETHIBEL indicates that the Company performs better than average in its sector in terms of corporate responsibility.

### CDP Climate Change Survey

This is the seventh year we have reported our greenhouse gas emissions to the CDP Climate Change Survey. We continue to improve our environmental performance, with our B-level rating is well-above the industry average on CDP's climate change survey.

### Shortlisted for Best Sustainability Report

Millicom's 2015 Corporate Responsibility Report was shortlisted for the "Best Sustainability Report" award at EthicalCorp's seventh Annual Responsible Business Awards 2016 – one of the world's leading corporate responsibility and reporting awards.

# About the CR performance section

## Introductory statement

This is our fifth annual corporate responsibility (CR) report. In line with our mission to lead the adoption of The Digital Lifestyle™ in our markets, and our belief that our corporate reporting should reflect the way we work, this year we have taken a leap forward in integrating our financial and corporate responsibility reporting.

This report has been produced following the Global Reporting Initiative (GRI) G4 Guidelines and its reporting principles.

The report continues to be externally assured. For the scope of external assurance we commissioned and the assurance standards our auditors follow, please see EY's Independent Limited Assurance Report on the next page.

## Our materiality process

In 2014, we set a clear CR strategy and roadmap for the next five years. In this report, we demonstrate the strong progress we made in 2016 against our strategy in implementing key initiatives. We outline our focus, highlights from our work, and any challenges we faced in 2016 and our plans to continue improving our performance.

The report covers our eight most material CR topics, which were confirmed through a comprehensive process of interviews and surveys with our key stakeholders during 2015. Our materiality methodology can be found in more detail on page 12 of this report.

Building on the methodology for engaging with our stakeholders and conducting the Group CR materiality assessment, in 2016 we finalized a country-level CR materiality assessment with our most important stakeholders across all operations. The results of these can be found on our country fact sheets, available on our website.

In this report we outline our approach, ambition, performance against key indicators, and our future priorities for each of the material topics.

## Geographical scope of the CR performance data

This year, we are aligning our CR management and reporting for our newly merged or acquired businesses in Colombia and Tanzania. In 2015, we had expanded the scope of our reporting to include data from our fixed services business in Colombia, following our merger with UNE in 2014. This year, our reporting expands to all other subsidiaries in Colombia (with the exception of headcount related data from EMTELCO) and Zantel in Tanzania.

The report covers our operations in 12 markets and our corporate offices in Luxembourg, the US and the UK. Our African markets covered are Chad, Ghana, Rwanda, Senegal and Tanzania; while in Latin America we cover our operations in Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras and Paraguay. As per our previous reports, this report does not include data from our operations in Nicaragua, as our business in that country focuses solely on fixed services for the corporate sector. Comparative data from 2015 covers operations as described above and in addition, operations from the Democratic Republic of Congo which we sold in April 2016.

## Time boundaries for the CR performance data

Quantitative data in this report covers our progress and performance from Q4 2015 to Q3 2016, with these exceptions:

- Any headcount related data is reported against the financial year.
- Numbers of employee and contractor fatalities are reported against the financial year.
- In line with our business definitions, supplier Code of Conduct signings related data reflects 18 months of data; from Q2 2015 to Q3 2016.
- Number of whistleblowing cases; Code of Conduct and anti-bribery and anti-corruption (ABAC) training data are reported against financial year.
- Any other data point that may not be in line with the boundaries as described above are footnoted.

# Independent limited assurance report



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## INDEPENDENT LIMITED ASSURANCE REPORT

To the Management and Directors of Millicom International Cellular S.A.

### Scope of work

We have undertaken a limited assurance engagement in relation to the Millicom International Cellular S.A (Millicom) Corporate Responsibility Performance section (the Corporate Responsibility Report) of the Millicom Annual Report 2016.

The scope determined by Millicom for the preparation of this independent limited assurance report is described below:

Report section	Indicator Description	Reporting period
Executing our strategy	Employees and outsourced workforce	Q1 2016 – Q4 2016
	% of Senior managers recruited locally	Q4 2015 – Q3 2016
	Employees by gender	Q1 2016 – Q4 2016
	Turnover rate of all employees	Q1 2016 – Q4 2016
	Average number of hours of training provided	Q1 2016 – Q3 2016
Privacy and freedom of expression	Number of operations with processes in place aligned to Group Guideline to manage law enforcement requests	Q4 2015 – Q3 2016
	Number of law enforcement requests (Group)	
	Number of major events	Q1 2016 – Q4 2016
Acting responsibly: anti-corruption compliance	% of employees who acknowledged the Code of Conduct	Q4 2015 – Q3 2016
	% of employees who have completed the Code training	
	% of procurement staff trained on ABAC	Q1 2016 – Q4 2016
	% of senior managers trained on ABAC	
	% of employees who filled & signed the conflict of interest declaration form	Q4 2015 – Q3 2016
	Number of cases of unethical behaviour reported and investigated	
	Investigations resulting in written warning	Q1 2016 – Q4 2016
	Investigations resulting in termination of employee contract	
Reducing our environmental footprint	Turnover of procurement staff	Q4 2015 – Q3 2016
	Electricity and fuel consumption, and total energy consumption	
	Scope 1, 2 and 3 carbon emissions	Q4 2015 – Q3 2016
Promoting diversity	% of women in senior Management positions	Q1 2016 – Q4 2016
	Turnover rate for women under 30	
Taking care of our people	% of workforce represented in H&S committees	
	Number of Employee fatalities	Q1 2016 – Q4 2016
	Number of contractor fatalities	
	Number of H&S incidents reported	
	% Lost-time injury rate per 1,000 workers	
Responsible supply chain management	Absentee rate	
	% of strategic suppliers who have signed the Supplier Code of Conduct	Q2 2015 - Q3 2016
	% of all suppliers who have signed the Supplier Code	Q2 2015 - Q3 2016
	Number of suppliers invited to complete EcoVadis self-assessments to date, and number of improvement action plans implemented	June 2015 – Q4 2016
	% of procurement teams trained on responsible supply chain management	Q4 2015 – Q3 2016

The Millicom Corporate Responsibility Report was prepared in accordance with AA1000 AccountAbility Principles Standard 2008 (AA1000 APS 2008).

### Criteria

Our review was carried out based on:

- AA1000 AccountAbility Assurance Standard 2008, with a moderate level of type 2 assurance.
- Standard ISAE 3000, Assurance Engagements, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited scope of assurance.

### Management's Responsibility

The management of Millicom is responsible for the preparation and fair presentation of the Corporate Responsibility Report in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. Further, Millicom's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Corporate Responsibility Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

### Assurance Practitioner's Responsibility

Our responsibility is to provide with independent third-party limited assurance of the content of Millicom's Corporate Responsibility Report 2016.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Corporate Responsibility Report, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

### Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

### Applied procedures

Our assurance procedures consisted in requesting information from Millicom Corporate Responsibility department and business areas participating in the preparation of the Corporate Responsibility Report and applying certain analytical procedures and sampling tests as described in general terms below:

1. Interviews with senior managers responsible for management of corporate responsibility issues and review of selected evidences to support issues discussed. The list of interviewees included Executives with overall responsibility for Millicom's corporate responsibility strategy and programmes and for specific functions, including supply chain, health and safety security and fraud. The purpose of these interviews was to obtain awareness of the Corporate Responsibility objectives and policies as well as how they are put into practice and integrated into Millicom's strategy
2. Review of Millicom's approach to stakeholder's engagement and outputs.
3. Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation.
4. Checks on a sample basis of the quantitative information included in the Corporate Responsibility Report as well as its adequate compilation from data supplied by information sources. The tests have been defined to provide limited assurance levels in line with the criteria described in this report.
5. Site visits in Millicom's operations in El Salvador and Colombia to review process and systems for preparing site level corporate responsibility data and implementation of corporate responsibility strategy.

# Independent limited assurance report – continued



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## Conclusions

Based on our limited assurance procedures described above, nothing has come to our attention that causes us to believe that the Corporate Responsibility Report is not presented fairly, in all material respects, in accordance with the Criteria (the principles established in standard AA1000 APS 2008) such as:

### 1. Inclusiveness

- Millicom has the mechanisms in place to identify stakeholders, as well as to gain an awareness and understanding of their expectations. Millicom has developed two registers in order to keep track of stakeholder engagement: one of them at a corporate level and the other one which compiles all the information regarding stakeholder engagement related to the top-20 priority stakeholders for each of the country operations. Millicom keeps track of contacts taken with stakeholders.
- Millicom identifies and understands stakeholders, their capacity to engage, and their views and expectations both at global and local level. During the local visits to Colombia and El Salvador it has been observed that the local Corporate Responsibility representatives concretely engage locally with various stakeholders and organisation on various Corporate Responsibility initiatives.
- Millicom has in place and has access to the necessary competencies and resources to operate the process of stakeholder participation.

### 2. Materiality

- Materiality is analyzed and a survey conducted to select the most significant matters to be included in the Report, as described in its Materiality Matrix.
- Millicom has in place and has access to the necessary competencies and resources to apply the materiality determination process.
- Millicom takes into account the changing sustainability context and maturity of issues and concerns with regular meeting with its stakeholders.

### 3. Responsiveness

- Millicom responds in a balanced way to material issues and responds in a way that addresses the needs, concerns and expectations of its identified stakeholders.
- Millicom involves stakeholders and considers the relationship between the maturity of an issue and the appropriateness of a response.

## Recommendations

We also presented to Millicom our recommendations regarding areas of improvement related to the application of standard AA1000 APS 2008 as well as to actions taken with main stakeholders. The most significant recommendations are summarised below:

### 1. Inclusiveness

- Millicom has identified as required its stakeholders.
- However our recommendation is to include key stakeholders such as customers and employees in the global stakeholder register and in the materiality reassessment. Moreover we recommend to formalise the process for identifying stakeholders and briefly describe it in the Corporate Responsibility Report.

### 2. Materiality

- Millicom performed a materiality study which takes into account the views of its stakeholders to establish the importance of the materiality issues.
- Going forward, we recommend Millicom to further develop the materiality assessment process at local level with the Corporate Responsibility representatives as already initiated in Colombia.

### 3. Responsiveness

- Given its high materiality to Millicom's business we recommend Millicom to increase the resources to be allocated to Health and Safety, in order to ensure that all appropriate analysis, actions and follow-up are performed and communicated to the stakeholders.

Ernst & Young  
Société Anonyme  
Cabinet de Révision Agréé

Olivier Lemaire  
Partner

David Cau  
Director

Luxembourg, 7 February 2017

