MILLICOM
THE DIGITAL LIFESTYLE

Corporate Responsibility Report 2014

Focusing
on what matters

Corporate responsibility

Diversity, child protection, privacy and freedom of expression, responsible supply chain management and environmental protection. These are the most relevant social and environmental issues for us to tackle in the markets where we operate. It is about making the most difference we can. It is about focusing on what matters.

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Find out more
www.millicom.com

About this report

This is our third annual standalone Corporate Responsibility report and it covers the calendar year 2014.

There has been no change in the scope of our report since last year. This year's report covers our operations in thirteen markets and four countries where we have corporate offices. The markets covered are: Chad, Democratic Republic of Congo, Ghana, Rwanda, Senegal and Tanzania – all in Africa; and in Latin America our operations in Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras and Paraguay. As in 2013, this report does not include data from our operations in Nicaragua[1].

This year we have identified our five most material sustainability impacts as an organisation through discussions with stakeholders and a business review process. These are all reported on in detail along with other areas of interest to our stakeholders.

The report has been produced in accordance with the Global Reporting Initiative (GRI) Guidelines, core level. The report has also been externally assured in accordance with the AA 1000 Assurance Standard (2008).

Group at a glance

Millicom is a leading international telecommunications and media company dedicated to emerging markets in Latin America and Africa.

We empower a digital lifestyle by offering communication, information and entertainment which connect people to their world.

Operating under the Tigo brand in fourteen countries, Millicom offers innovative and customer-centric products. Millicom employs 23,297[2] people and provides mobile, cable, satellite, broadband and mobile financial services to over 56 million customers in mobile and five million revenue-generating units in cable, with 5.6 million households covered with our cable network.

Founded in 1990 and headquartered in Luxembourg with corporate offices in Stockholm, London and Miami, Millicom's subsidiaries operate exclusively in emerging markets in Africa and Latin America.

Millicom's shares are listed on the Nasdaq OMX exchange in Stockholm and its market capitalisation was SEK58.34 billion ($7.5 billion) at the end of 2014.

Our products and services

Mobile
We provide mobile communications services to over 56 million customers in Bolivia, Colombia, Paraguay, El Salvador, Guatemala, Honduras, Chad, DRC, Ghana, Senegal, Rwanda and Tanzania under the brand name Tigo. In addition to mobile voice and SMS messaging, we offer mobile data and locally relevant content through value added services.

Cable & Digital Media
We offer fixed voice, broadband services and pay-TV, including premium content, in cable in Colombia, Bolivia, Paraguay, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

Mobile Financial Services
We have more than nine million Mobile Financial Services customers and we offer services including money transfer, bill payments and merchant payments.

#1 or 2
Market position in 85% of our markets

Our presence
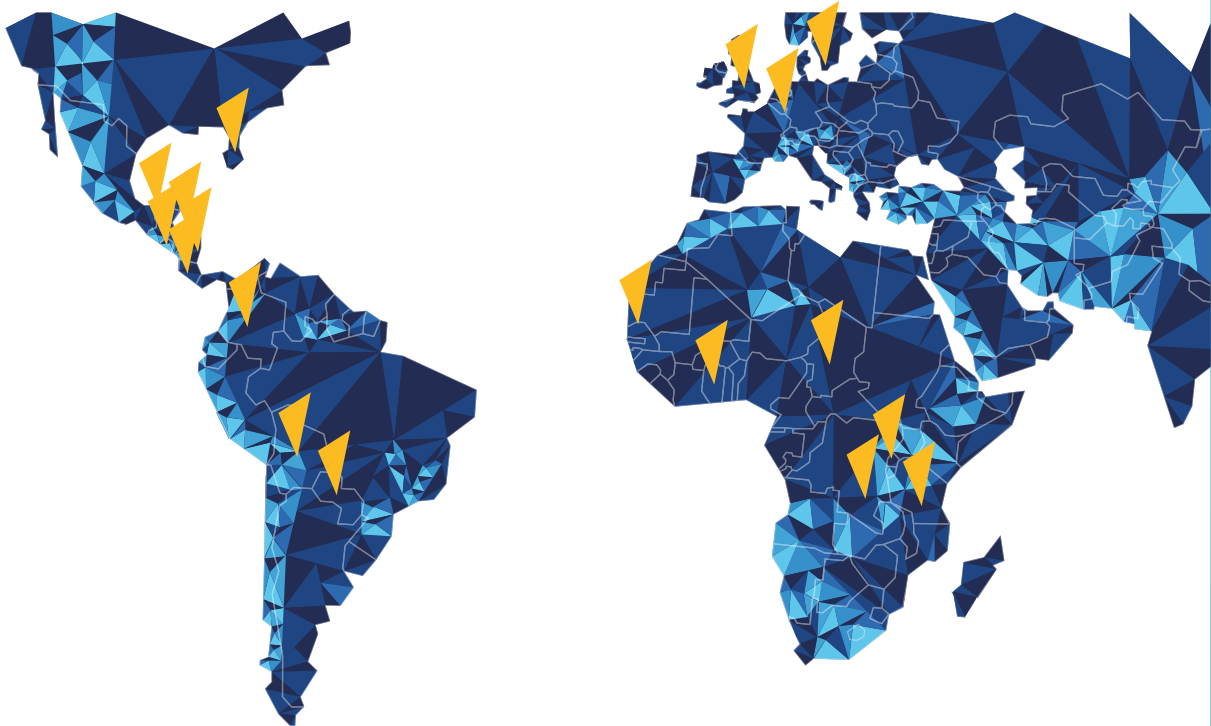
Our chosen markets

Region	Central America	South America	Africa
Population (m)	30	64	190
Mobile customers (m)	15.8	15.1	25.3
Revenue ($m)	2,460	2,926	1,000
EBITDA ($m)	1,153	980	219
Employees	4,373	16,467	2,016

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Year in review

Highlights in corporate responsibility (CR) in 2014

2014 was a year of good progress while putting in place essential policies and processes and prioritising our corporate responsibility actions.

Linking CR and Government Relations
Our Board Corporate Responsibility Committee has been re-established as the Government Relations and Corporate Responsibility Committee (GRCR Committee), so it covers all our key engagements with external stakeholders. This reflects the close connection we see between our business and the potential for social and economic development.

Responsible management of our electronic waste
Tigo El Salvador, the first country operation to pilot the e-waste programme, has raised over $270,000 in just under three years of running the programme. Our efforts were featured in the press and the programme was shortlisted for the Fundemas Marca Positiva award under the environment category in 2014.

Senior oversight and robust governance
The Chairman of the Board at Millicom now chairs the GRCR Committee. At the same time we strengthened the governance of CR, and our tools and policies for managing CR-related risks and opportunities.

Participated in first industry energy efficiency benchmark
We took part for the first time in an energy efficiency benchmark conducted by the mobile network operators industry body GSMA, which identified ways we can reduce our energy consumption.

Sharpening our focus
Our corporate responsibility (CR) strategy was sharpened to focus on five areas that reflect our most significant impacts, opportunities and stakeholder concerns in the countries where we operate. These are: diversity, child protection, privacy and freedom of expression, responsible supply chain management and environmental protection.

Partnering for children
We signed a three-year agreement with UNICEF to collaborate on child online protection and child rights in the telecoms sector.

Chaired the industry-wide initiative on privacy
We were selected to chair the Telecommunication Industry Dialogue on privacy and freedom of expression, an issue of increasing concern to investors and non-governmental organisations (NGOs).

Launched a global diversity programme
We established a global diversity programme with the initial focus on promoting gender diversity. We have been working on four main areas: communication, recruitment and retention, learning and development, and policy development.

Highly rated
Millicom was recognised by the MSCI Global Sustainability Indices as a company with high Environmental, Social and Governance (ESG) ratings relative to its sector peers, and was included for the first time in the MSCI World ESG Index and the MSCI ACWI ESG Index (World + EM).

Leading on child online protection
We hosted the first joint GSMA and UNICEF child online protection workshop in Latin America in Paraguay, which was attended by government officials, the telecoms industry and global experts.

Updated Code of Conduct for suppliers
All our supplier contracts from now on will include a requirement to comply with our updated Supplier Code of Conduct which can be found here online.

Working hard to make customer experience easy
We want the experience of our customers when buying and using our products and services to be easy and effortless. Our "Effortless Experience" campaign and training helped our staff to be better equipped and knowledgeable to identify, anticipate, and resolve any customer queries.

Merging with UNE makes us stronger
The UNE merger in Colombia will strengthen how we manage ESG issues in Colombia, as UNE has a long-standing CR department and strong practices on managing customer privacy, transparency and governance.

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Chairman's statement

An exciting year of change for the Group

"In its own pioneering way, in the midst of implementing a new business strategy and while strengthening the basics, Millicom has been able to roll up its sleeves and show leadership in many areas of corporate responsibility."

2014 was another year of fast-paced growth and transformation for Millicom.

The digital lifestyle strategy launched in 2013 materialised in full with the launch of Tigo Star, Tigo Music, and world firsts in mobile financial service innovation. And the company completed the biggest merger in its history when we joined forces with UNE in Colombia.

Such ambitious changes in the scope of the business require agility and forward thinking also from supporting functions in order for the company to stay true to its fundamental values. In the case of corporate responsibility, that has translated into the ability to respond to new challenges that the changing business brings, and doing so pro-actively.

Millicom has always had a strong presence in, and close relationship with, the communities in which it operates. This affords us an opportunity to be a force for good and to lead by example. I am proud of the many examples we have set during the last year.

As I assumed the Chairmanship of Millicom in 2014, we expanded the scope of the Board's Corporate Responsibility Committee to also cover Government Relations. This change demonstrates the strong connection we see, and feel, between the way we do business and the impact our business has on economic and social development in our markets. It is also a sign of a more pro-active and mature approach we have chosen to take towards engagement with our stakeholders.

The Kinnevik Group of companies are characterised by their strong entrepreneurial drive and pragmatic approach. These values are reflected also in Millicom's corporate responsibility strategy and work plan.

The focus areas of diversity, child protection, privacy, responsible supply chain and environmental protection align well with general trends in the Millicom markets and with the business goals of the company. And more specifically, they are well-placed, of course, to address the opportunities and new challenges that increasing internet penetration and young populations with a strong appetite for digital services bring.

Rightly so, in 2014 Millicom has focused on building a strong basis of governance, Code of Conduct and relevant policy framework and processes that will protect the company in a manner that supports rather than slows down its current and future business objectives. Much of this work will continue also in 2015.

At the same time, in its own pioneering way, in the midst of implementing a new business strategy and while strengthening the basics, Millicom has been able to roll up its sleeves and show leadership in many areas of corporate responsibility.

I am particularly thinking of the work the company has done to rally the industry around the response to the Ebola crisis together with the African Union and leading the sector in tackling issues of child online protection in Latin America in collaboration with UNICEF. Millicom's leadership of the Telecommunications Industry Dialogue is a great example of adopting a more pro-active approach to stakeholder engagement.

For a company used to aiming high, a challenge is always to have the patience and focus needed to implement the necessary measures in some non-negotiable and less fast-paced areas such as, for example, health and safety or privacy protection. But it is by applying as much diligence and forward thinking in relation to these topics as we would to any business proposition that we as a company can, and will, play an important part in long-term value creation for Millicom's customers, investors and employees alike.

At the beginning of 2015, Millicom has a very clear and grounded plan for continuous improvement in all relevant areas of corporate responsibility and the Board's Government Relations and Corporate Responsibility Committee and I look forward to following the progress being made over the coming year.

Cristina Stenbeck
Non-Executive Chairman of the Board

Members of the Government Relations and Corporate Responsibility Committee of the Board of Directors.
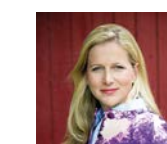
Cristina Stenbeck
Chairman

Paul Donovan
Non-Executive Director

Dame Amelia Fawcett
Non-Executive Director

Mia Brunell Livfors
Non-Executive Director

Africa review

Arthur Bastings,
Executive Vice
President, Africa

There is a great momentum for change in Africa, where digital services and responsible companies have a key role to play. Inclusion, diversity and talent have been in focus for Millicom in 2014.

In 2014, our customer base grew by 25% in Africa and Tigo now features among the top 10 African brands. These achievements are a result of a chosen customer-centric strategy: understanding local needs and promoting services that are relevant, and available in ways that remove barriers to access.

From this position we connect many people to new opportunities. Tigo Music is for the first time allowing local artists to gain royalties from their creations, EduMe is bringing possibilities for further education, and Tigo Money is expanding opportunities for financial inclusion.

We want Tigo to be the employer of choice in Africa: an organisation that fosters and promotes inclusion and local talent to grow. In 2014, we made a significant shift in this regard and at the end of the year we had dramatically enhanced the number of our African and female talent in the senior ranks. This focus on building a strong, motivated and committed team will continue in 2015.

Country	Country highlights	Mobile penetration estimated[3] (%)	Tigo mobile customers ('000)
Chad	Our network now covers 87% of Chad, which became the first African operation to launch 4G in 2014. Food coupon distribution through Tigo Cash continued in partnership with aid organisations.	42.1%	2,745
DRC	In DRC, Tigo rolled out over 500 new sites, as we expanded into new areas of the country. A new innovative product, Yebala Cash now integrates financial and voice services.	56.7%[4]	5,067
Ghana	Tigo Ghana was the first African operation to launch Tigo Music in 2014 with 36 million songs, many promoting local talent. Our Ghana management team was comprised of 40% women at the end of the year.	82.3%	3,829
Rwanda	We launched "think", a technology incubator to develop new digital solutions for Africa. Rwanda was also the first country to launch EduMe, our commercial mobile learning solution.	52.8%	2,499
Senegal	In Senegal, we promoted our 3G network in innovative ways, focusing on transparency of data packages. We also launched TigoMatic, allowing customers to benefit from self-service access to Tigo Cash transactions and other applications.	72.8%	3,017
Tanzania	In Tanzania we launched the world's first cross-border mobile money service with currency conversion between Tanzania and Rwanda, and made it possible for our customers to earn returns on the balance they hold in their mobile wallets.	57.7%	8,193

Latin America review

Mario Zanotti,
Senior Executive
Vice President,
Latin America

The number of people accessing digital lifestyle services has increased rapidly in Latin America. Making sure this transformation is brought to our customers in responsible, positive ways has been a key focus in 2014.

In 2014 we introduced more people than ever before to digital lifestyle services in Latin America by very actively promoting smartphone ownership and innovative products and services in our markets. At the end of the year 39% of our customers in South America were using data services, ahead of the regional average of 32% according to GSMA reports.

While the opportunities this brings to our customers are numerous, increased penetration of digital services can also bring some adverse effects if not managed properly. In addition to protecting customer privacy, our work with UNICEF on child online protection is crucial to promote positive experiences online. We are growing our MFS business to promote financial inclusion, while focusing on anti-money laundering (AML) and additional ways to manage risks and protect customer data.

Tigo can be an example also in the way we work and take care of our employees. In 2015, we will continue to focus on health and safety, particularly in network maintenance but also in our markets where the overall security situation can be challenging. This will involve close collaboration with suppliers and elevating safety standards throughout the entire region.

Country	Country highlights	Mobile penetration estimated[3] (%)	Tigo mobile customers ('000)
Bolivia	95% of Bolivia's internet users access the web through a mobile connection, which is now the least expensive in the region. In 2014 we launched 4G with 64% of the population covered by the end of the year.	72.1%	3,233
Colombia	By the end of 2014, we covered 74% of the population in Colombia with our services. Tigo-UNE finalised an agreement with internet.org to offer free access to Facebook and a number of websites of general utility (launched in January 2015).	112.4%	8,012*
Paraguay	In 2014, Tigo Money in Paraguay won an award from the Inter-American Development Bank for its performance, financial transparency, and the quality and usage. With over 1.3 million customers, 48,000 have already benefited from financial inclusion projects.	98.8%	3,894
Costa Rica and Nicaragua[5]	We launched our first satellite service in Costa Rica, which will allow us to reach the entire country with our TV offer. At the end of 2014, Tigobusiness Nicaragua held the number one position in the large and medium sized enterprise segment with 27% market share, providing services such as broadband internet and value added corporate solutions.	n/a	n/a
El Salvador	In 2014, we modernised the entire network in El Salvador, installing 206 new sites and improving capacity of 171 sites to have the best smartphone experience in the market. The users of Tigo Money increased 270% from 2013.	119.2%	2,855
Guatemala	In Guatemala we expanded our network by 80 new sites in rural areas, covering 87.4% of the population by year end. Over a million customers accessed Facebook via USSD menu, one of our most popular value added services.	95.4%	8,351
Honduras	We launched 4G services in Honduras in 2014, and covered almost the entire country with 2G at year end. Tigo Honduras again received the seal of a responsible company from FUNDAHRSE and inaugurated Tigo Foundation in 2014.	79.5%	4,582

*   With UNE included.

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Our strategy

Corporate responsibility strategy

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focus areas

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year roadmap

In 2014 we developed a new corporate responsibility (CR) strategy aimed at integrating responsible business practice more thoroughly into our company's activities. Building on our materiality assessment from 2013 and engagement with our stakeholders in 2014, our CR strategy outlines a slightly revised set of focus areas, and a roadmap of key milestones for the next five years. Strengthening our CR reporting to help us make more informed business decisions is another priority for our CR strategy. Our focus in 2014 has been on implementing our strategy, and our CR team worked closely with key departments and supported them to strengthen policies and processes in place.

This chapter outlines the progress we have made in implementing our strategy. It covers our CR governance structure, how we have defined our most material issues, why and how we have engaged with our stakeholders, and the five areas that we consider to be our top CR priorities.

Governance of corporate responsibility
2014 saw the appointment of our new CR team, which reports directly into the Executive Team via Rachel Samrén, Executive Vice President (EVP) for External Affairs, who also oversees the company's overall engagement with governments and other external stakeholders.

This new structure helps us align our CR strategy with the company's engagement with governments and partners. Our new Chairman of the Board of Directors, Cristina Stenbeck, now leads our GRCR Committee, which met in November 2014 to approve our strategy. During 2014 we also launched a new sustainability reporting tool, reflecting our recognition of the importance of improving data collection processes and quality. We ran training sessions for all CR managers and data owners, and focused on improving our audit trail.

Sharpening our focus on what matters
In 2013, we conducted a materiality analysis – in conjunction with an independent third party – which involved extensive engagement with both internal and external stakeholders to determine the relative significance of different CR issues to the company. The materiality matrix produced as a result of this process can be found here online. In 2014 we have concentrated on addressing key issues identified.

This year, Millicom made significant progress in delivering our digital lifestyle strategy and made substantial investments in network upgrades. These efforts revealed further opportunities to strengthen our CR strategy. In particular, we focused on increasing operational efficiencies, strengthening our reports to the CEO and tools and policies for managing CR related risks, and responding to the changing needs of our stakeholders.

Our continuous dialogue with our responsible investors, our partnerships and collaboration with the global mobile operator association GSMA, UNICEF, and Global Network Initiative (GNI), our Telecommunications Industry Dialogue, and our engagement with civil society, governments and our customers have all reinforced the importance of issues including: anti-bribery and anti-corruption (ABAC), Code of Conduct, supply chain responsibility and monitoring of third parties, and children's rights and privacy and freedom of expression.

Some investors expressed a strong interest in our progress in implementing supply chain controls, finding out more about our internal policies on privacy and freedom of expression, and managing children's rights risks. We also identified some gaps in our internal policies and requirements for our operations and suppliers. We therefore decided to further prioritise five issues that can help us manage our risks, as well as deliver operational savings and additional revenue streams – see pages 18 and 19.

Late in 2014, we worked closely with our country operations to map their stakeholders and understand local issues. These stakeholder maps will help us tailor our global CR strategy and key initiatives to meet the needs of our local stakeholders. Moving forward, we will build on this work to understand materiality at country level.

Governance of CR

Millicom's Head of Corporate Responsibility is responsible for the execution of the company's CR strategy. CR team reports to the EVP of External Affairs, who reports to the CEO, and is responsible for raising issues and decisions related to CR to the company's Executive Board.

Government Relations and Corporate Responsibility Committee of the Board of Directors meets twice a year to review and advise on CR strategy and implementation.

Governance of compliance

The General Counsel, reporting to the CEO, and the Global Compliance Director are responsible for the company's compliance programme, including anti-bribery and anti-corruption.

Governance of health and safety

Health and safety as well as business continuity management are overseen by VP of Corporate Security who reports to the Chief Technology Information Officer (CTIO).

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For more information on the materiality matrix visit http://www.millicom.com/our-responsibility/

Our strategy
(Continued)

Stakeholder engagement

Our stakeholders are those groups we come into contact with during the course of our day-to-day activities, and who influence or are influenced by Millicom.

The table below indicates how we engaged with each of our stakeholder groups during 2014, what they told us, and how we responded.

In addition to engagement around these key topics, we continued to connect with our communities through local projects. For example, we have provided training to schools and teachers on how to maximise use of technology to achieve educational benefits. We also hosted meetings with community leaders to promote the protection and importance of ICT infrastructure.

	Customer experience	Children's rights	Privacy and freedom of expression	Reducing our environmental footprint	Responsible supply chain management	Diversity
Key issues raised by stakeholders	Providing safe and reliable products whilst making technology affordable and accessible is at the heart of our core business model. We have a number of channels in place to listen to customers' feedback, and improving the quality of the service we provide has been among the most important issues raised by our customers.	Providing children a safe and positive online environment is crucial to help them take full advantage of new technology in education, learning and civic participation. There is also a clear demand from our customers who are parents and teachers to get support on child safety online. We do not want our services to be used to host or distribute illegal child sexual abuse material. There is also a high inherent risk of child labour in our markets.	Any external request for surveillance, customer information or access to communications networks represents an exception or limitation to freedom of expression and privacy of our customers. Our investors and NGOs are increasingly interested in our internal procedures and policy on handling law enforcement assistance requests, and in particular how we handle situations where local laws and international norms may be in conflict.	Climate change, growing pressures on resources and the lack of infrastructure for safe disposal of end-of-life electronics are all issues we have a responsibility to address.	As a company that works with thousands of suppliers around the world, we have an opportunity to promote responsible business beyond our own operations. Ethical suppliers are more likely to provide higher quality products and services and be financially viable. Supplier conduct can also reflect on our reputation.	We need to ensure that our workforce is able to respond to the needs of a more diverse customer base. Promoting equal opportunities is important for employee motivation. There is also a strong demand for better gender balance in senior management particularly from investors.
Stakeholder group	– Customers	– Partnership with UNICEF – Organisations fighting child sexual abuse online and providing solutions for reporting and removing content, such as IWF, INHOPE, Interpol and ICMEC local child rights organisations, Investors, GSMA, ITU	– Investors – Employees – NGOs supporting freedom of expression – Swedish government, and local authorities	– Peers – Suppliers, including network management companies – GSMA – Governments	– Global and local suppliers	– Employees – GSMA

How did we engage	– Voice of Customer committees
	– Social media
	– Global Brand Tracker
	– Customer experience surveys, such as:
	  – Customer Experience Baseline survey
	  – Coverage and service satisfaction survey
	  – Tigo Music satisfaction survey
		– Hosted a workshop on Child Online Protection Guidelines in Paraguay, that included government officials, police, UNICEF, GSMA, global experts on child online protection and industry
		– Investor roadshows
		– Swedbank investor survey on Children's Rights
		– Discussions with GSMA and local NGOs operating children's helplines.
		– Participation in UNICEF Sweden business network
			– Participated in and chaired Telecommunication Industry Dialogue, and stakeholder meetings by the Industry Dialogue.
			– Participated in a number of public events on the topic, including speaking at panels in Stockholm Internet Forum, Development Talks on Business and Human Rights at Swedish International Development Agency, and GNI / Industry Dialogue Learning Forum in Geneva
			– One on one meetings and discussions with a number of human rights organisations
				– Network modernisation. Site sharing initiatives with competitors.
				– Participated in energy efficiency benchmarking conducted by GSMA
					– Friendly visits to supplier sites (e.g. Costa Rica)
					– Investor Roadshows
					– Communication of our new Supplier Code of Conduct to our suppliers
						– Workshops with management at all global offices and markets
						– GSMA's Connected Women Benchmark

Millicom's response	❯ Customer-centric approach ❯ Reduction in number of inquiries raised by our customers in data allowance related issues ❯ Improved ratings on loyalty and efforts ❯ Investments in network capacity and coverage	❯ Signed an agreement with UNICEF for three-year partnership to work together on child online protection (COP) and child rights in the Telecoms sector ❯ Millicom made a commitment to implement UNICEF and ITU guidelines for COP in Latin America ❯ Tigo participated in a working group in Paraguay to create a national hotline to report illegal content ❯ In four of our operations, provided toll-free calls to local children's helplines for Tigo customers ❯ Made a commitment to work with GSMA and Childhelpline International to launch toll-free calls in other markets ❯ Approved an updated policy on age limits for hiring, including remediation guidance	❯ Reviewed compliance of operations to our internal guideline for law enforcement assistance requests ❯ Established an internal Lawful Interception Committee ❯ Began centralising information on legal frameworks	❯ Global process for responsible electronic-waste management with pilots in Tanzania and El Salvador ❯ Notable savings in operational energy spend and carbon footprint ❯ Identified opportunities to reduce our energy consumption	❯ Updated Supplier Code of Conduct. This covers ethics and integrity, workers' rights and protection, prohibition of child labour and environmental protection ❯ Updated contract templates to make the supplier code a mandatory annex in all agreements ❯ Created a five-year plan to improve ethical supplier monitoring	❯ Workshops with management at all global offices and in markets ❯ Participated in GSMA's Connected Women Benchmark

Investment in improving infrastructure

$**1,294** million

Our country operations with Voice of Customer teams

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Value of responsibly sold e-waste in El Salvador

$**270,000**

Reduction in carbon emissions against 2008 baseline

39%

Our strategic suppliers who signed our Supplier Code of Conduct

61%

Number of total suppliers who signed the Supplier Code

Over **900**

Percentage of female senior managers amongst top 500 managers

22%

Percentage of female new hires

37%

**Our five
focus areas**

Focusing
on what matters

We have identified five focus areas where we believe we can have the biggest impact.

The following paragraphs give a brief overview of Corporate Responsibility areas identified as our top priorities on the basis of their capacity to help us manage risks and maximise opportunities.

Responsible supply chain management

Millicom works with thousands of suppliers around the world, ranging from small local vendors to large multinationals. Ensuring that all suppliers adhere to high standards of ethical behaviour is a high priority. From 2015, all suppliers are obliged to sign our Supplier Code of Conduct when entering into contract with us. This covers ethics and integrity, workers' rights and protection, prohibition of child labour and environmental protection.

Diversity

To deliver our business strategy of creating successful and innovative products that appeal to a wide customer base, it is essential that we employ a diverse workforce with complementary skills at all levels. Women also control the majority of family spending and increasingly have higher buying power. In 2013, we identified a gender gap in our senior management, women representing 33% of the total employees but only 19% women among the 500 most senior managers. We recognised the need to establish a cross-functional and cross-country programme to promote a more diverse workforce and to identify and start addressing barriers to improve gender balance.

Child protection

Children benefit from increased access to information and education through the internet, but this access comes with the risk of exposure to inappropriate content or inappropriate conduct between peers. Abused children can be victimised again through adults viewing and distributing abuse content. While we are focused on increasing access to the digital lifestyle, many of our customers who are parents are concerned about these issues. There is also a number of other ways our business operations affect children, and we are committed to understanding and managing these impacts.

Reducing our environmental footprint

We recognise that all businesses are expected to be aware of their environmental impact and to take steps to reduce it. As a global company, it is important that we act responsibly and preserve the long-term sustainability of our operating environments. Reducing our energy use not only reduces our contribution to climate change, but it also makes business sense by saving costs for the company.

Safe disposal and recovery of materials from electronic waste (e-waste) is a complex challenge with considerable potential environmental impacts and consequences for children's and workers' health and safety. We have a responsibility and opportunity to make a difference in countries where there is little infrastructure or established best practice for end-of-life electronics.

Privacy and freedom of expression

To provide a high-quality service, we process a significant amount of information about our customers and their communications, and keeping this information secure is crucial to maintaining their trust and confidence. It is also a priority that we adopt, where possible, strategies to minimise the potential impact on freedom of expression and privacy when receiving and handling requests from the authorities.

As local laws regarding exceptions and limitations to freedom of expression and privacy vary, local procedures need to be tailored to those requirements. In addition to creating and promoting global guidance for our employees on how to respond to law enforcement assistance requests, we support them in creating local procedures that best respect the local law, international standards and the privacy of our subscribers.

Impact through digital access

19%
of our revenues excluding spectrum invested in improving our infrastructure (EC 7)

$7.4
monthly average customer spend on mobile phone services in Q4 2014

93%
of our customers are on pre-paid plans

At Millicom our mission is to provide people with access to a digital lifestyle. To achieve our mission we invest in attractive and relevant services, in our network, and in constantly improving the quality of customer service. We engage local communities and want to bring positive changes to their lives through the digital lifestyle.

In doing so we are mindful of the need to provide our products and services safely, in particular when it comes to areas such as protecting children, individual privacy and freedom of expression. We aim to comply with all relevant laws and we contribute to society through the taxes we pay in the countries where we operate. We seek to make further contributions to the social fabric through building a movement of digital changemakers. With growth comes the challenge of managing our environmental impacts and so we work to reduce our carbon footprint and manage electronic waste.

Investing in technology
We are continuously improving the infrastructure to deliver our services. In 2014, we spent $1,206 million, or 19% of our revenues excluding spectrum, in Capex. We invested a further $88 million in spectrum and license renewals.

These investments in the network, spectrum and IT infrastructure improve the quality of the service we offer: building more tower sites and upgrading network speeds create a better experience for our customers. However, as we make this investment, we are focused on the need to ensure the price remains affordable in the markets we serve. On average, our customers spent around $7.4 per month on mobile phone services in Q4 2014. In 2014, two-thirds of our customers spent less than $5 per month, and 40% less than $1.

As we expand mobile coverage, millions of customers in Africa will be able to make a mobile call for the first time – compared with a customer in Bogotá using our 4G service so they can watch YouTube. We offer products and services that also allow customers with low and irregular incomes to stay connected. Our "Lend Me Balance" product family, which provides different ways to borrow or give friends and family airtime, remains our most popular value-added service to prepaid users. In Colombia, Lend Me Balance proved very successful with around 25% penetration for prepaid users. In Bolivia, we launched Lend Me Call Overdraft, which increased users' credit limits. This proved very popular with penetration increasing from 11.3% to 30.5%.

We are expanding to unconnected, remote locations in addition to serving urban areas. The following examples of service expansion and technology investment in 2014 represent just some of our activities in these markets:

– **Bolivia:** By the end of the year we covered 93% of the population with 2G, 71% with 3G and 64% with 4G.
– **Paraguay:** MFS penetration increased to 35% of the handsets customer base and revenues have increased as more customers use their mobile wallets for payments.
– **Chad:** Tigo Chad is the first operator to launch 4G in Chad and in Central Africa, bringing ultra-high-speed data to its customers.
– **Democratic Republic of Congo:** We expanded our 2G and 3G networks by further 423 sites. After the 3G launch in Katanga our data traffic increased a hundred fold.

tigo une
Ahora somos uno

Our merger with UNE brings together two strong sustainability cultures
In August 2014, Millicom completed the biggest merger of its history in Colombia with a leading broadband and fixed telephony company, UNE, owned by Empresas Publicas Medellin. UNE has a long history of community engagement and responsible business, and has published an annual Sustainability Report since 2010. UNE's and Millicom's focus areas are well aligned, including customer privacy, transparency and governance, innovation, and commitment to customers and society. UNE was awarded the title of Most Reputable Company in 2014 by MERCO (Business Monitor of Corporate Reputation).

In 2014, highlights of UNE's corporate responsibility performance on material issues include:

– **Environment:** Five million kWh reduction of electricity consumption, as well as a 5.4% reduction in total CO_2 emissions. UNE reused 89.1% (1.2k tonnes) of the waste generated in its operations, and sold a total of 854 tonnes of reusable waste.

– Recycled and reconditioned more than 230,000 pieces of consumer equipment.
– **Responsible supply chain management:** A signed commitment to best practices in environmental, social, labour and governance, and human rights matters is mandatory and forms an integral part of the contract between the company and its suppliers.
– **Child protection:** Internet Seguro (Safe Internet) is an initiative designed by UNE, aimed at creating a safe and positive online environment and fighting against inappropriate material in its network. UNE provides physical reading materials, videos and online tools on child online protection. The training programme has been developed for 306 primary and secondary educational institutions, reaching over 175,000 people (children, adolescents and adults) in 2014.

In September 2014, UNE joined forces with Fundación EPM to continue delivery of this initiative.

Impact through digital access
(Continued)

Spotlight on child online protection

Highlights

Fostering effective collaboration
We are convening NGOs, regulators, and industry organisations to build consensus on implementing guidelines for online child protection.

Creating a safe online environment
We are promoting parental control solutions, and solutions to fight illegal content around the sexual abuse of children.

Educating children, parents and teachers
Our tools and education programs support the safe and appropriate use of the internet.

Supporting children's helplines
We are enabling children to call for help and report abuse by providing free calls and free promotion in some of our countries.

1st

child online protection workshop in Latin America jointly hosted by Tigo Paraguay and UNICEF

Children benefit from increased access to information and education through the internet, but this access comes with the risk of exposure to inappropriate content or inappropriate conduct between peers. Abused children can be victimised again through adults viewing and distributing abusive content. The topic of child online protection engages a wide set of stakeholders and relates strongly to our other engagement with law enforcement.

We have engaged stakeholders, and our own employees, to inform them of the issues, and help them understand and differentiate between illegal content around the sexual abuse of children, inappropriate content and inappropriate conduct. Different policy approaches and steps for implementation are needed to tackle each of these related issues.

We achieved three key outcomes in our work on child online protection in 2014:

– In August 2014, the International Telecommunication Union (ITU) and UNICEF released a guideline to the ICT and media industry to strengthen online protection for children. Millicom made a commitment at the launch event of the guidelines in Panama in August to implement them in our Latin American operations as a first wave. Child online protection is also a key element in our three-year agreement with UNICEF on strengthening our and the telecom industry's management of child right risks.

– Second, to mark the 25th anniversary of the United Nations Convention on the Rights of the Child, Millicom has joined an initiative by the GSMA and made a commitment to support Child Helpline International (CHI) – an organisation that maintains helplines children can call for help and to report abuse. We are already working with such helplines in a number of our operations and will expand our collaboration by providing free calls and promoting the helplines. We look forward to supporting this initiative further with partnerships in new markets that raise awareness of helplines and allow free access to those in need.

– Third, in October 2014 in Paraguay, we jointly hosted a workshop with UNICEF and GSMA on child online protection. This conference, the first of its kind held in Latin America, demonstrated the leadership of the Paraguay government, UNICEF Paraguay and the commitment from Tigo Paraguay. The workshop was well attended by law enforcement authorities, government officials, local NGOs, global experts from Internet Watch Foundation and International Center for Missing and Exploited Children (ICMEC), other mobile network operators, UNICEF, and GSMA.

We have focused our efforts on child online protection for our Latin American operations for 2014 and 2015 for three reasons: our internet penetration is highest here, there is emerging legislation there to support action by network operators, and key partners including UNICEF and GSMA are also focusing their initiatives on the region.

Adding value for our customers
The needs of our customers are at the centre of our business. We aim to create customer value by providing relevant digital products with the best service and customer experience. With our trusted consumer brand Tigo and innovative and accessible product offering, we help emerging countries in Africa and Latin America and their populations access the digital lifestyle.

In 2014, we connected another 6.2 million people to data services, with many accessing online services for the first time, thereby reducing the digital divide and opening up new opportunities for users. We sold 4.7 million smartphones in 2014. Of these 60% were entry level smartphones with an average cost of $55. Whether using our services for personal or business reasons, we know that connecting people provides information, convenience and pleasure as well as giving a boost to business and the local economy.

We have been making good progress on delivering our five-year customer service strategy launched in 2013. We want our customers' experience of doing business with us to be easy, and effortless. In 2014, we focused on introducing new tools to support our company in offering our customers this effortless experience. Our new customer relationship management tool helps us track "first contact resolution", which measures the percentage of customers whose queries are resolved during first contact with Tigo customer care.

"Voice of the Customer" teams were established in each market to interact with customers to help us prioritise any investment and how we respond to customer feedback. Our customers receive a survey after their call with us, asking about their experience of engaging with Tigo. At the heart of these surveys is our objective to be easy to do business with and make our customers feel valued. To facilitate this process, it is essential that our colleagues understand our customer service strategy, and the benefits and importance of creating an effortless experience for our customers.

We have focused our initial training in this area on our commercial teams such as Tigo Business, Mobile Financial Services (MFS), and Tigo Sales School in all countries in Latin America and most of our African operations too. We have taken a "train the trainer" approach where we have been helping team leaders of frontline staff provide better training to their teams. They have also received training in how to help customers who might be interested in buying multiple products from us, for example internet access as well as mobile phone services and on advising customers on choosing the right smartphone for their needs.

We also identify opportunities around "next issue avoidance": helping a customer solve the initial issue and also pre-emptively resolve future potential issues.

Harnessing mobile infrastructure to improve quality of life
In countries with low smartphone penetration, customers access the internet, social media, and various applications through SMS-based menus and services. Through our tailored service offering, we help people with low or irregular incomes access the digital lifestyle, with innovative benefits like earning returns on their account balances using our Mobile Financial Service, or accessing healthcare over the network from remote communities using Tigo Care.

Many of our customers have low and irregular incomes, and we innovate to keep them connected to services that many of them depend on for their livelihood. Examples include:

– Pre-paid services can be purchased in denominations as low as $0.10, with pricing per second rather than per minute.
– The Lend Me Balance product family lets customers borrow funds for an urgent call or text message if they do not have money on-hand to top up their accounts.
– Tigo Care offers products including medical assistance and life insurance.

We connected another 6.2 million people to data services in 2014, with many accessing online services for the first time.

$55

average price of 60% of smartphones sold in 2014

Taking child online protection in Paraguay to the next level
Having hosted a child online protection workshop, our CR team in Paraguay is working with UNICEF to develop education materials and tools for customers. Tigo and UNICEF have produced and launched, in February 2015, user guides to distribute to customers as well as online information for safe internet, and will run new information sessions for children, parents and teachers as well as B2B clients.

Tigo Paraguay is also working to expand the existing parental control offerings and is reviewing the technical, legal and cost implications of blocking illegal content. Tigo Paraguay is also engaging with the stakeholders who participated in the October workshops and INHOPE on establishing a hotline to report illegal online content in Paraguay.

Case study: Tigo invests in Tanzania
In 2014, Millicom launched Tigo Wekeza (Swahili for Tigo Invests) in Tanzania – the world's first money-back mobile financial service. With approval from the regulatory authority, this service will provide a return to 3.5 million mobile money customers in Tanzania based on the balances in their Tigo Pesa accounts. In 2014, Millicom also launched the first cross-border mobile money transfer service featuring integrated currency conversion between Tanzania and Rwanda.

Impact through digital access
(Continued)

Mobile Financial Services

Millicom Mobile Financial Services (MFS), operating under the brands Tigo Money in Latin America and Tigo Cash and Tigo Pesa in Africa, provides easy access to financial services for millions of previously financially excluded and underserved customers. By the end of 2014, over 9.5 million people – 20% of our handsets customer base within our MFS markets – were using services that range from international remittances and money transfers, to return-earning mobile money accounts, micro-credit, and merchant and salary payments. For example, in Tanzania, our revenue from MFS went up by 40%.

One key financial product is Tigo Family Care – an insurance product that reaches almost one million customers in Ghana, of whom 93% formerly had no access to insurance. Nearly a quarter (22%) of these customers earn less than $100 per month while 80% earn less than $300. A similar product in Senegal, Tigo Kiiray, reaches more than 10% of Tigo customers and is one of the country's largest insurance programmes.

Mobile learning

In 2014, Millicom launched a new business line focusing on mobile learning. EduMe courses are transforming access to knowledge by allowing any mobile phone device to download rich, carefully structured course content without fixed line internet or access to schools and universities.

EduMe is a mobile-first educational service that uses mobile and internet technology to provide access to high-quality information on an anytime, anywhere basis. EduMe has launched self-study English language learning courses in Rwanda and El Salvador as well as tutor-led classes that are available across Latin America. In Tanzania, EduMe launched a vocational business school under the name Tigo Biashara, which imparts critical business skills to aspiring entrepreneurs. There are several new products being launched during 2015, including courses aimed at teaching children maths, science and English.

All EduMe courses are offered as subscription services at an affordable fee. This fee can range from $0.02 for daily subscription in Rwanda for EduMe English, to online group tutoring using Skype priced at $16 per month, depending on the content and level of interaction with the subscriber.

Information security

To ensure that our customers' data is kept safe and secure, we have continued to strengthen our information security (IS) framework. Our work in information security is overseen and governed by a Security Committee formed of Executive Team members and senior managers who meet quarterly.

In 2014, we published our IS Policy, and started aligning our systems with the ISO 27001 IS Management Standard. We have continued to implement security components in our network, and conducted a number of Vulnerability Assessments (VAs) in 2014. As our financial services in particular hold sensitive information, we reviewed our MFS platform in three countries. We also conducted Network VAs in a number of locations including the IT Network Headquarters for all four corporate offices. This work will continue in 2015, and complemented with cyber threat protections.

We will start the ISO 27001 implementation in 2015, and deliver training sessions for all employees on different aspects of information security and data protection.

Paying our taxes

Millicom has a global tax policy developed by the head of tax and approved by the Group CFO, the Executive Team and the Board of Directors. The policy is reviewed at least yearly, or as needed, and implemented by local tax teams in operating subsidiaries under the supervision of the global team. Compliance with the company tax policy and local tax laws is monitored by financial reporting and controlling, internal audit and control, external tax audits, and in some countries with monitoring systems installed in telecommunications networks.

Millicom does not negotiate specific tax concessions with local authorities. However, on occasion, and often together with the industry, we do challenge new tax initiatives that we see as harmful for the sector's development or that would result in price increases that would affect certain populations' access to communications services.

The Group's profits are taxed in the jurisdictions they arise in. We report taxes paid by region, in line with our overall financial reporting (see table for taxes paid). In addition, our operations pay a number of other taxes, which are not based on earnings, including telecom tax, indirect tax, VAT and excise duties, withholding tax, payroll tax, asset tax and wealth tax.

The Group's transfer pricing policies are in line with the OECD guidelines to charge subsidiaries for the support provided by our global centres of excellence located in Europe and the US. Any intercompany financing is in line with the "arm's length" principle to finance operations in specific countries where the political risk profile is measured as "high".

Corporate income tax paid

Year	Central America	South America	Africa	Unallocated items	Total continuing operations
2014 ($m)	(85)	(107)	(25)	(60)	(380)
2013 ($m)	(156)	(85)	(21)	(60)	(322)
2012 ($m)	(131)	(76)	(32)	(45)	(282)

Taxes paid includes taxes paid for the whole Millicom Group.

Awards in 2014

Colombia: Recognised by the Transparency Corporation for organisational transparency and also for stakeholder interaction; received the Andesco award for environmental performance.

Bolivia: Rated as Bolivia's most reputable company by the Spain-based industry watchdog The Business Monitor of Corporate Reputation (MERCO).

Tanzania: Won the "Best Service Creativity" award following our cross-border service of sending and receiving money between Tigo Pesa of Tanzania and Tigo Cash of Rwanda. The award was given to the company during the recently held International African Communications forum and exhibition known as AfricaCom in November 2014 in Cape Town, South Africa.

Improving service in Colombia

Working together across several parts of the business, including customer operations and our technical teams, we have been able to reduce the number of inquiries raised by our customers in data allowance related issues for the second half of the year by 32%.

Supporting the development of crisis-mapping in the fight against Ebola

At the end of 2014, Millicom signed an agreement with Flowminder.org – a non-profit organisation founded by public health researchers and epidemiologists from Harvard University, University of Southampton and Karolinska Institute – in 2014 to provide the researchers with access to anonymised, historical and encrypted customer data records to analyse and predict the spread of Ebola in West Africa.

The researchers use a specially created method to analyse anonymised mobile data to understand mobility patterns among populations. This information is used to identify areas that are at increased risk of new outbreaks, and can inform decision makers on the effects of interventions such as information campaigns and travel restrictions.

Data can also be used to more effectively direct prevention efforts. Resulting maps and analyses will be disseminated to WHO, UN and government agencies to improve situational awareness and inform intervention planning. Flowminder researchers pioneered the use of mobile data for infectious disease (Zanzibar malaria outbreak in 2009) and crisis response (Haiti 2010 earthquake and cholera outbreak). While the collaboration has been triggered by Ebola, the method can be applied to support the fight against any number of diseases.

The collaboration between Millicom and Flowminder aligns fully to the GSMA privacy guidelines recently published for mobile data use for public health purposes.

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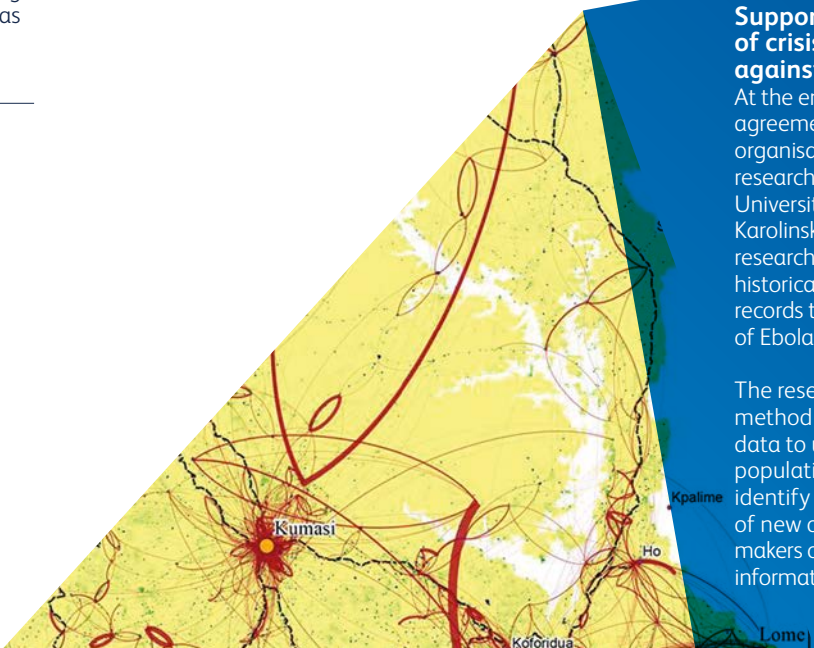
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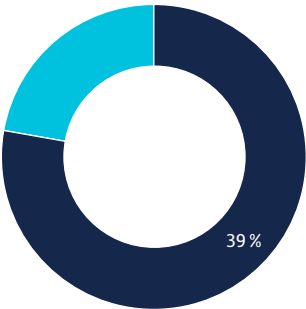(Continued)

10%
reduction in energy consumption per base station compared to 2013

91 B
our CDP disclosure score, went up from 81 B in 2013

175
number of hybrid solutions implemented in Chad

35%
reduction in energy consumption in pilot project in Ghana

Progress on target: 50% reduction in CO_2 emissions per base station by 2020

39 %

● At the end of 2014, our CO_2 emissions per base station were 39% lower than in base year 2008

Our environmental impact
As we deliver our digital lifestyle strategy, we impact the environment in a number of ways. Upgrades to 3G or 4G networks, wider network expansion opportunities, and growing customer base all contribute to our environmental impact.

As we upgrade our network, we need to consider how we can reduce the energy consumption and manage the electronic waste from old network components. In some of our markets, responsibly managing end-of-life electronic waste could ensure children are not involved in dangerous recovery of e-waste from landfills. Taking responsibility for reducing our social and environmental impact produces operational cost savings and improves our brand reputation. For these reasons, this year we continued delivering energy reduction initiatives and prioritised our global e-waste management programme.

Climate risk and energy use
Some of the countries where we operate are highly vulnerable to extreme climate events and natural hazards. We consider climate-related risks and opportunities as part of our business strategy, network expansion (e.g. placing new masts), and as part of managing business continuity.

In 2014, our energy consumption has been further reduced through increased network sharing, modernisation of equipment and reduction of use of cooling solutions. We also invest in alternative energies, such as solar power and different hybrid solutions, for powering sites in remote "off-grid" areas. The feasibility of alternative energy sources is strongly determined by geographic variables; for example, in hot and dusty climates it is difficult and expensive to maintain solar panels. Examples from this year include:

– In Chad, we implemented 175 hybrid solutions (including solar-battery combination).
– In Ghana, we installed energy saving in all cooling equipment at our Osu customer service centre. We measured a 35% reduction in energy consumption between January and September in 2014. We are planning to roll out this initiative in other locations in 2015.

For the last five years we have reported our greenhouse gas emissions to the CDP (Carbon Disclosure Project). In 2014 our CDP disclosure score went up to 91 in 2014 from 81 in 2013. Our performance band, which scores the positive actions we have taken to mitigate and adapt to climate impacts, has remained at "B" (on a scale of "A" (best) to "E").

In 2014, we commissioned our first global energy efficiency benchmarking, conducted by the GSMA, to make a detailed comparison of our energy consumption in each country. The benchmarking was conducted for 40 mobile network operators, accounting for more than 200 networks across 145 countries and over 50% of global mobile subscribers.

The results show that we perform slightly above the industry average on energy per connection, energy per unit traffic and energy per cell site. GSMA normalises the results against variables outside an operator's control, such as population distribution and climate. The results also highlighted future potential energy and cost savings, which we will use to inform the development of internal targets and initiatives.

Spotlight on responsible e-waste management

$270,000
from e-waste sales since 2012 in El Salvador

1st
e-waste shipment with new process in Africa in 2014 in Tanzania

There are strong financial incentives and reputational drivers to manage electronic waste (e-waste) responsibly. The issue is becoming more and more important as we generate waste through upgrading our network to 3G and 4G. E-waste such as batteries can be harmful to the environment if not stored and disposed of properly.

The impacts from e-waste are not isolated to environmental impacts. Although we have policies and measures in place to prevent child labour, we do not have control over what happens once a product has reached the end of its life and is disposed of by us. Children can get involved in attempting to take apart and recover valuable materials, some of which can also be hazardous to health, from e-waste. This is an additional reason for us to manage end-of-life of our products responsibly.

We collect e-waste, separate it by equipment type, and store it in our warehouses until a sufficient quantity is reached for our vendors to collect it. We select certified vendors who meet our criteria for managing e-waste responsibly.

In most of our markets there is a lack of recycling infrastructure, so we often work with global recycling companies who buy the e-waste and ship it to countries with appropriate recycling infrastructure. Selling our e-waste to approved vendors for responsible recycling creates revenue opportunities for us while mitigating the risk of adverse environmental impacts.

We are taking action in advance of emerging e-waste legislation in Latin America and Africa. In 2014, we participated in the development of GSMA's electronic waste position paper for Latin America. Having a project in place reduces regulatory and reputational risks for Tigo companies. We hosted briefings with all corporate affairs and regulatory teams in Latin America to raise awareness of why our e-waste programme is important.

El Salvador e-waste programme
Tigo El Salvador, the first country operation to implement the e-waste programme, has raised over $270,000 in just under three years. Our efforts were featured in the press and the programme was shortlisted for the Fundemas Marca Positiva award under the environment category in 2014.

Impact through digital access
(Continued)

$**7.6**m
spent on community projects in 2014

11
of our operations ran the Digital Changemakers Award

2,000
applications received across all our operations for the Awards

Creating positive social impact in our communities
Millicom focuses its social investment on looking for innovative solutions and partners that use digital and mobile technology to solve social challenges in the countries in which we operate. In 2014, we spent a total of $7.6 million in support of projects that promote digital inclusion and address the pressing needs in our communities and we ran the "Tigo Digital Changemakers Award" in eleven of our African and Latin American markets.

Digital Changemakers Award
Millicom identifies innovative and digitally driven ideas and solutions through the Digital Changemakers Award programme. In 2014, the Digital Changemakers Award ran for the first time in all six Tigo markets in Africa. This is our fourth year of collaboration with Reach for Change in Africa to deliver the Award, and the partnership is growing with more than 30 social entrepreneurs supported.

In 2014, five Latin American countries also hosted the Award for the first time. Our countries delivered similar competitions to those in Africa, partnering with organisations such as Global Entrepreneurship Week, Ashoka or Koga to find social innovators with great digital ideas.

Our social investment through the Digital Changemakers Awards helps us identify and support the roll-out of innovative solutions using digital and mobile technology to solve social challenges.

We received more than 2,000 applications across all our operations in 2014. Tigo colleagues volunteered to help screen the entries and select the most promising and innovative projects that use digital and mobile technology to solve social challenges. Our CR teams as well as many internal and external experts will now work with the Award winners to turn their ideas into reality in our Tigo markets.

Award	Creador de Cambio Digital Tigo in Costa Rica	Tigo te Conecta in Paraguay	Read-athon in Rwanda
The winners	Adriana Barboza and Paola Bolaños	Po Paraguay	Dominique Uwase Alonga
The sector	Environment	Health	Education
The problem	Waste producers and recyclers in Costa Rica are not connected.	Only about 1% of Paraguayans in need of prosthetics can afford them.	While the positive benefits of reading are widely accepted, in Rwanda many children lack access to fun and inspiring reading material.
The project	RECICLAPP is an app that allows individual waste producers to indicate that they have recyclable waste at their location. Registered recyclers and transporters get the information through the app and can collect the waste.	Po Paraguay uses a 3D printer and app to lower the price for prosthetics from approximately $15,000 to less than $300. Manufacturing is centralised in Asunción and end users receive prosthetics without needing a hospital visit.	Read-athon is a reading program and competition where an interactive, innovative and child-friendly website and mobile app encourages children to read and offers support to teachers and parents. The program allows teachers as well as parents to track their children's reading habits.
What's next	As part of the award, the two winners are enrolled in an incubator that will help them turn their prototype into a marketable product.	The team has already initiated contacting, printing and delivering prostheses. Conecta Awards has helped them get the exposure, funds and training for starting their project.	Read-athon is being rolled out as part of the Digital Changemakers Incubator, and Dominique is exploring ways of sustainably scaling the program.

Digital classrooms for underprivileged children in El Salvador
Tigo is supporting rural and poor communities through the "Adopt a school" partnership agreement with USAID and FEPADE. Tigo has sponsored four Digital Learning Centres in Morazán and San Salvador that offer knowledge and connectivity to 4,200 students and almost 1,200 families, school directors and teachers. Since 2010 we have been working with the NGO SOS Children's Villages establishing five technology centres. In 2014, 154 school-age children graduated from courses in computers, English, office automation, robotics and Internet tools.

Tigo for Your Health
Launched in May 2014, Tigo for Your Health programme subsidises unlimited calls to a doctor and access to medical clinics in Tegucigalpa and San Pedro Sula for 100 low-income families from the rural area of Reitoca.

Supporting girls to succeed in the digital space in Ghana
One of our Digital Changemakers Award winners is Regina Agyare and her initiative "Tech needs Girls" in Ghana. "Tech needs Girls" is a social enterprise project that uses technology to unearth and drive the potential among young women, with the aim of mentoring and empowering them to lead and innovate. The project aims to encourage young girls to pursue various courses in ICT. Through the Digital Changemakers Award, Regina is now supported by both Tigo in Ghana and our partner organisation "Reach for Change" in her work.

"Tech needs Girls" was founded by Regina Agyare and Rasheeda Yehuza, who are both software developers. Their Nima centre now caters for over 250 young girls in the Nima-Maamobi community. The objectives of "Tech needs Girls" fit perfectly with the overall objective of Millicom social impact programmes to provide innovative solutions that use digital and mobile technology to solve social challenges.

Our people

84%
of our senior managers are recruited locally

22%
of women in Top 500 senior management positions; up from 19% in 2013

Starting in 2015, we will require all Tigo and outsource service providers requiring access to supplier sites to demonstrate their level of safety competency via a safety passport.

At the end of 2014, Millicom employed 23,297 people in its markets and headquarters. Whether they work in a Tigo shop in Accra or Asuncion, an office in Guatemala City or deliver engineering services in Chad, under extreme climates or the most remote locations, our people are the backbone of our business.

Our people are technical innovators, telecommunications experts, dynamic entrepreneurs and sales teams, all working together across a unique geographic footprint. Our customers and markets demand more from us every day, and it is our people who innovate and strive to deliver an effortless experience to our customers.

Health and safety
Millicom is dedicated to providing a safe and healthy work environment for our employees, as well as contractors and business partners. We maintain a fully integrated Health, Safety and Environmental (HSE) management system, as well as a number of related procedures to recognise various health and safety codes, regulations, acts and standards.

New reporting tool
Our incident reporting tool was successfully rolled out in 2014 across all of our country operations. This tool allows local teams to capture real-time information on all security and health and safety-related cases, enabling us to analyse trends and identify key risks.

Despite our best efforts and achievements in strengthening our internal management and self-assessment of health and safety, we recorded seven fatalities in 2014, six of which were contractors working on behalf of Tigo. These were primarily related to engineering work activities, and were fully investigated. In response to these incidents, we have taken a number of internal and external measures. For example, starting in 2015, we will require all Tigo and outsource service providers requiring access to supplier sites to demonstrate their level of safety competency via a safety passport.

At the end of the year, the Executive Team directed all general managers and senior managers to press for a "zero fatality" workplace, heavily promote safety procedures and heighten awareness of risks. Our goal is to create a safety culture where people use the personal protective equipment they are provided with to avoid preventable accidents.

Since this is the first year of using this reporting system, as expected we saw the number of reported cases increase in 2014. We cannot say with certainty whether the number of incidents and accidents has actually increased, only that more are now being reported. In 2015, we will give all Tigo staff access to the tool to log any incident. We expect an increasing trend in reported incidents as more staff become familiar with the tools.

Health and safety

New external reporting tools

Our new incident management tool across all country operations allows local teams to better manage our country level risks. With this increased transparency, we saw a rise in the number of reported accidents and incidents.

Better auditing and accreditation

We received our first external audit in Bolivia and Tanzania moving us closer to OHSAS 18001 accreditation, and are sharing lessons learned with all Tigo country operations.

Security management

We designed a training course on Millicom's standards and requirements on security management and delivered it with UK City and Guilds, awarding a qualification for all participants.

Ensuring employees' wellbeing

Global teams ran workshops with country HR managers to explore how current occupational health and wellbeing practices can be improved at country operations.

Improving working conditions for contractors
Supplier safety is a significant risk to our business, with six out of seven fatalities reported this year being contractors. We are committed to proactively dealing with supplier code violations to ensure contractors working on Tigo business are treated fairly and work in safe conditions.

In late 2014, we met with a major supplier following a dispute around employment terms and salary payments with its employees working on Tigo sites, which had led to some unsafe ways of working.

We have encouraged this supplier to tighten security measures for site access and install appropriate safe working control measures. We will increase contractor site activity inspections, and have agreed to hold quarterly meetings with the supplier to address any further issues.

We have advised all HSE country managers to follow the same principles for promoting safe working practices with contractors in their countries, and to use our global HSE inspection and performance checklists for the supplier inspections.

Our people
(Continued)

11

operations have a health and safety committee formed by employees and management, representing 70% of our employees

Breakfast with the GM

One of the open communication channels we use in our markets to give employees an opportunity to discuss a burning topic directly with the GM

"Great Place to Work®"

surveys conducted in four Latin America operations, with the remaining three countries to start in 2015

Better auditing and accreditation
In 2014, we began requiring our country operations to use a new global internal control and audit tool to self-assess their adherence to our HSE policies and procedures. In 2015, we will begin delivering formal HSE auditing qualifications to our internal audit team. (See the Responsible business section for more on this.)

We were externally audited against the OHSAS 18001 certification standard in Bolivia and Tanzania in 2014, with the goal of achieving accreditation across our Latin America operations in 2015 and Africa operations by 2016. The audit report identified a clear need to collaborate with our suppliers on improving their HSE approach. We are sharing lessons learned with other Tigo operations to enable all countries to achieve the same standards and accreditation next year.

Strengthened security management
Our stakeholders are interested in our security procedures where we employ security services for safeguarding our assets. As part of our audit programme, we are strengthening our security policy to ensure all guards have a clear job description, receive training on risks and safety, have an established standard on use of force, and have distinguishable uniforms. We aim for our contracted guard services to reflect best practice, with stronger guidance from Millicom on requirements and support to implement these.

To achieve our commitment to train all Corporate Security Managers to an accredited qualification level, we designed a one-week training course on our standards and requirements on security management, and delivered it with UK City and Guilds, a vocational education and training organisation.

Ensuring our employees' wellbeing
Our highest priority is to ensure our employees' wellbeing while on the job. To bring consistency and focus to our practices, we commissioned an independent health review. The global team then ran workshops with our country HR managers to explore how current occupational health and wellbeing practices can be improved based on the results, in line with internal and OHSAS standards.

Though our operations remained unaffected by the 2014 Ebola outbreak in Africa, Millicom set up a Global Crisis Committee to support the Local Crisis Committees running in each African operation beginning in August 2014. The Committees work in close collaboration with local governments, intelligence and security agencies to develop and test business continuity plans.

Additionally, we ran health and awareness campaigns on HIV/AIDS in three of our African operations; Ghana, Rwanda and Tanzania. We are planning to roll out similar campaigns in the rest of our African operations in 2015.

Engaging employees in times of change
As well as engaging with a wide range of external stakeholders, it is just as important that we communicate well with our staff and take the time to listen to their views and ideas, particularly as the company continues to roll out its new digital lifestyle strategy.

Connecting our people with each other
In 2104, the focus on internal communication has been to increase the visibility of our leadership team and offer opportunities for employees to engage with the company's strategic direction, and be able to relate it to their work.

Yammer, an internal social media platform, has been our main tool of engagement, allowing employees to directly receive key information in a visual and engaging way. Yammer is also a two-way communication tool, as it allows staff to share, comment or post presentations, videos or photos from their computer, mobile and/or tablet.

We also used Yammer to organise livechat events where all staff could ask direct questions to Executives in their native languages. Colleagues' creativity has been stirred via several internal competitions and results have been actively influencing our activities.

We also encourage open communication outside of the digital space by organising town hall meetings with country General Managers (GM) and Executives as well as small group events such as "breakfast with the GM", where a sample of employees (all levels included) are invited to discuss a burning topic directly with the GM. Local operations also have several other means of communication, such as newsletters, TV screens and information boards in the office.

Eleven out of our thirteen markets have a Health and Safety Committee in place to give our employees a platform to raise and address their concerns.

Using surveys to "take the temperature"
We continue to conduct employee engagement surveys using the "Great Place to Work®" (GPTW) framework and analysis, which helps us compare responses from our employees against other major companies in that country. In 2014 the GPTW survey was conducted in four Latin America Tigo operations: Paraguay, Bolivia, Colombia and Guatemala. In Ghana, we also carried out an employee survey in October, with considerable improvements on engagement scores.

Our approach to a global employee engagement survey is currently under review. In 2015, we will expand the GPTW survey to all Latin American markets, and plan to begin with pulse surveys in Africa.

Diversity
We are proud of our very diverse workforce, which at the end of 2014 comprised 75 nationalities, well representing our geographical footprint. Most of our employees are either local or from neighbouring countries in the region.

We already have a number of initiatives in place to support local recruitment and succession planning in our countries, with 84% of our senior managers employed locally in 2014 (82% in 2013); there is still room for improvement in the composition of senior management in Africa in particular. This is an issue we are actively addressing. We appointed the first female General Manager (GM) for an African telecommunications company in March in Ghana. At the end of the year half of our GMs in Africa were of African origin and half were female.

However, as data from 2013 on gender balance, notably in senior management, clearly indicated the need for improvement, our first priority has been to work on a gender diversity strategy (see spotlight on Diversity). With the focus of our diversity program on increasing women in senior management, our efforts in this area started delivering results in 2014. The percentage of women in Top 500 senior management positions increased to 22% from 19% in 2013.

In 2014, we established a global diversity programme to focus on four main areas: communication, recruitment and retention, learning and development, and policies. Our initial focus is gender diversity.

Engagement in action: International Health, Safety & Environment Week
Participation from Millicom's global country operations in International HSE Week, coinciding with the ILO International Labour Week, has increased steadily over the past two years. In 2015, we aim to have all operations and corporate offices engaged in various HSE activities during the last week of April, This year's global theme was "Fit for Work including Stress Awareness", featuring a series of presentations and activities to assist employees in managing their health, safety and security. In addition, each country operation focuses on key risks particular to its region; for example, road safety was a focus in Africa.

Cajetan Nagua celebrated as Employee of the Year
Our Regional Director in Eastern DRC was chosen as one of our "Millicommanders" in recognition of his role leading Tigo back into the Kivu region after the end of hostilities there and adding 250,000 customers there in three months.

Our people
(Continued)

Spotlight on diversity

Percentage of women among new hires

38 %
37 %

● 2013
● 2014

Total percentage of women among our employees

31 %
33 %
34 %

● 2012
● 2013
● 2014

Percentage of Top 500 senior management positions filled by women

21 %
19 %
22 %

● 2012
● 2013
● 2014

Five-year plan for diversity

Gender diversity programme

Diversity awareness: top down

Family policies review

Recruitment and retention of diverse talent

Empowerment through training

Gender diversity programme
– We highlight our commitment to equal opportunities for our employees and our zero tolerance for discrimination and harassment in our staff Code of Ethics, which all employees are required to support.

Diversity awareness: top down
– We developed a campaign and delivered workshops to raise awareness of the meaning and benefits of a diverse workforce.

Family policies review
– We reviewed our maternity leave policies for all corporate offices and country operations, and made changes in maternity leave policies for our UK and US offices.

Recruitment and retention of diverse talent
– We reviewed our recruitment processes for all corporate offices to identify potential impediments for female recruitment and promotions.

Empowerment through training
– We incorporate diversity training in our STAR programme and identify other development opportunities such as mentoring.

Communication
Our global diversity programme kicked off in 2014 with a campaign to increase awareness around the meaning of diversity, and the business benefits for Millicom. We delivered workshops in all corporate offices and all country HR leads showcased success stories and initiatives that empower employees.

We also identified some smaller initiatives that will produce immediate, positive results, such as mapping female talent for senior management positions, policy reviews, and generally introducing the "gender lens" to all HR processes and measurements. This work will continue in 2015.

Recruitment and retention
To ensure our recruitment process attracts and sustains diversity at all levels of the process, we conducted a review of our recruitment process for our four corporate offices, including an analysis of the number of male and female candidates recruited by seniority level and department for technical and support functions. In the fifteen positions with sufficient data for analysis, the success rate of women being hired to the analysed position was equal to that of men. It was notable, however, that a significantly lower number of women applied for our positions. As a result we will be taking a closer look at the inclusiveness of our employer brand.

Learning and development
We also began internal analysis of our success planning process, and worked with the operations to ensure they had identified local female talent for succession planning and promotions. In 2015, we will introduce gender breakdowns to performance management to ensure clear correlation between best performance and promotions, and address any discrimination in this way. We will also review other development opportunities such as mentoring.

Family-friendly policies and initiatives
In 2014, we carried out a review of our parental leave policies for our corporate offices and found that parental leave policies varied significantly from country to country, depending on legal requirements. As a result of the review, we extended paid maternity leave for our UK office and are reviewing the policy in the US office. Our plan is to extend this review to the operations in 2015.

Female turnover has been high, particularly among young women in some operations. As a result, it is important for us to examine how women who start a family can be supported to return to work and continue to build their careers. Our gender diversity programme aims to address this specific issue.

Some of our country operations have already begun implementing a number of initiatives to support employees coming back from maternity leave and to support all employees with young children. For example, Tigo Bolivia has babysitting and breastfeeding rooms in Santa Cruz (two), La Paz City (one); El Alto La Paz (one); Cochabamba (one) and Tarija (one), for the children of Tigo employees who are between 0-7 years. Tigo Paraguay inaugurated its first breastfeeding rooms in 2014. Tigo El Salvador has been working closely with our teams in Paraguay and Bolivia to implement similar initiatives in El Salvador.

Two of our operations have launched diversity committees in 2014. Our committee in Ghana reviewed gender balance in various departments, and is working towards setting gender inclusivity targets. Both committees in Costa Rica and Ghana are working on a road map for our project.

Benchmarking our performance
In 2014, we commissioned a gender diversity benchmark for the first time with GSMA's Connected Women Initiative, a programme focused on the socio-economic benefits of greater inclusion of women in the mobile industry. The process prompted us to internally review the scope of gender diversity related data we collect. In 2015, we will identify additional key performance indicators to measure the diversity initiatives we have in place and their success in increasing retention.

We have commissioned independent research to be delivered in 2015 looking at global trends, success stories, and how to promote women in the telecommunication sector, particularly in technical roles. We are also identifying practices to increase the number of women in our workforce. (See Performance data and 2014 targets section for more details.)

2014: a year of transformation from a mobile business to a digital lifestyle business.

New skills for our digital lifestyle strategy
During 2014 we have focused on delivering training solutions as we continued our transformation from a mobile business to a digital lifestyle business. In many of the markets where we operate, we are providing products and services that are unfamiliar to many of our customers, which creates its own challenges. Our staff need to proactively support our customers on how to make the best of our products and services.

Our first priority in 2014 has therefore been on defining what we mean by "digital lifestyle". To that end we have been working with Latin America's leading business school INCAE to design and develop a digital lifestyle programme, aimed at the top two tiers of country managers, which launched in March 2015. This is being piloted with colleagues from El Salvador, Honduras and Guatemala. As part of our succession-planning and leadership development focus, we are also in discussions with two leading Universities in Africa, with a view to developing our middle managers.

Given the new strategy and new requirements in terms of skill set and talent, 2014 has been a year of high turnover with global turnover increasing from 14% in 2013 to 20% in 2014. In 2014, we welcomed in total 2,692 new employees, 37% of which are women, into our organisation to support our digital lifestyle strategy. We had 2,472 leavers, 30% of which were women.

Our people
(Continued)

Sales staff trained vs. untrained for 2014 in Africa

+60%
total revenue per month

+135%
new customers per month

75% lower
turnover (hired and left in 2014)

29%
of sales staff in Africa trained in
Tigo Sales School at the end of 2014

For our corporate offices, the highest turnover was the corporate centre roles directly linked to our operations. This was due to a decision to consolidate certain roles in global functions in our corporate offices. Turnover figures in the operations were also affected by outsourcing of technical maintenance staff in Africa, and the higher overall turnover among customer operations staff in-sourced in 2013 in Latin America.

Our online training platform, Millicom University, has flourished in 2014 following a successful pilot in 2013. More than 8,000 people now have access to the training platform to develop their skills in a number of different business areas including finance and IT, and 9,600 courses were completed in 2014.

Although we were not able to roll out a new performance management tool as planned, we still use a strong performance evaluation process across all operations. The process consists of annual objective setting and career development plans, which are reviewed together by employee and manager mid-year and at the end of the year. Employees receive bonuses based on their individual performance grading and company performance criteria.

Tigo Sales School
Following the success of our Tigo Sales School in Africa, in 2014 we expanded this eight-week sales and business training programme for our sales staff ("freelancers") to four of our countries in Latin America – El Salvador, Paraguay, Guatemala and Bolivia, with Honduras launching at the beginning of 2015. Through the programme, we have reached just under 8,000 freelancers and almost 31,000 point-of-sale distributors during 2014.

We continue to track freelancer sales to demonstrate the value of training delivered by Tigo Sales School. For example, in DRC, the program for our MFS agents helped them use a number of alternative payment methods for our customers. The training delivered a 104% out-performance on new customer acquisition, and 102% more revenue from trained freelancers than from untrained freelancers.

Our online training platform, Millicom University, has reached more than 8,000 of our employees. In 2014 we also expanded the reach of our Tigo Sales School to four of our countries in Latin America.

In 2015, we will roll out mobile learning (m-learning) tools for the Tigo Sales School across Africa by offering a combination of tools through which they can learn at any time, and in any location. These tools provide an effective interactive learning experience that we hope will enhance freelancer performance. They will also maximise the reach of Tigo Sales School training by extending it to the entire sales force, regardless of their physical location. The pilot programme will be completed in Senegal and Rwanda in early 2015. Full-scale implementation across Africa is scheduled for Q3 2015.

Collective bargaining
Collective bargaining agreements (CBA) are in place in our operations in DRC and Chad. We continued our discussions with local counterparts to establish a CBA in Senegal but were unable to come to a final agreement by the end of 2014. We are actively engaged in the discussions and look forward to finding an agreement on the final points of discussion in 2015. At the present time in Colombia, there are nine Unions established around UNE and its subsidiaries; one of them was created in October 2014 (Sintrasetic), and it has seven UNE employees on its board.

We also engage with trade unions in some of our countries, which are not covered under CBA, as they do not yet meet the legally required number of members to establish CBAs, such as in Tanzania.

Spotlight on child protection

We are designing a child rights impact assessment tool in collaboration with UNICEF to inform operator-specific policy guidelines for the telecommunications sector.

We published a new child labour and young workers policy.

Child labour is a key risk area due to its prevalence in the markets where we operate. Our updated Supplier Code of Conduct states that we are strictly against the use of child labour, and prohibit its use in our operations, our distribution network, and in the manufacturing or execution of the products and services we purchase.

In December 2014, we published a new child labour and young workers policy to ensure adherence to local law and relevant international standards on child protection. It aims to support the work of Human Resource teams, line managers and anyone involved in engaging an external workforce to exclusively work with Millicom Group companies.

The policy clearly sets out the rules on age limits for employees and work performed by young workers. In addition, the policy provides guidance on the processes to control compliance and how to resolve any issues identified.

We also distributed a supporting document to help country offices implement our new policy, as of January 2015, setting a common definition for "young workers", defining "proof of age" documents, and providing guidance on defining acceptable evidence of proof of age for their new employees.

This year we signed an agreement with UNICEF to jointly pursue the development of a mobile operator-specific child rights impact assessment tool. This work is founded on existing research and outcomes from ICT sector human rights impact assessments as well as the Millicom child rights assessment in DRC, where the UNICEF country office was also involved. We will pilot two child rights assessments in Tanzania and Rwanda in the first quarter of 2015.

Responsible business

83%

of our senior managers received anti-corruption training in 2014

101

whistleblower reports investigated in 2014

In 2015, our operations will self-assess their alignment with our Internal Control Manual and policies in four corporate responsibility areas: suppliers signing to our Supplier Code of Conduct, minimum age for employment, energy reduction and responsible e-waste management, and law enforcement assistance requests.

Millicom Ethics Line launched

An independent, global helpline for our employees and any other stakeholders to raise concerns around unethical behaviour.

Acting responsibly is at the heart of how we do business. To maintain our license to operate, we need to be trusted by our customers to provide quality products and services, and also by other stakeholders such as governments and investors to operate responsibly. Building and maintaining trust demands we set and adhere to high ethical standards, review our governance structures regularly and are diligent about ensuring compliance.

In 2014, we focused our efforts on improving and strengthening our policies on a company-wide basis, with the goal of establishing a strong governance and accountability framework across all our operations. Following a review, we put new processes in place to establish clear structures for roles and assign responsibilities around risk assessments in each country. Ensuring that all countries aim for the same level of controls will help us continuously identify and manage risk in a structured way.

Our Internal Control Manual (ICM) provides a list of control activities to be embedded in each operation and to self-assess how well they manage our many business risks and opportunities. The Millicom ICM includes controls for four of our CR focus areas. In 2015, all our operations will assess whether:

– our suppliers have signed our Supplier Code of Conduct;
– we have local guidelines regarding minimum age of hiring for our employees, dealers and freelancers;
– we have targets around energy reduction and consider opportunities for responsible e-waste management; and
– we have processes in place to manage law enforcement assistance requests.

In all operations, our country General Managers (GMs) now have ultimate ownership of their country's internal control assessments to ensure processes are carried out in an efficient and effective manner, and that the risks and control activities are managed adequately. In 2014, we delivered a communication campaign to promote a culture of transparency and ensure operations capture risks and proposed remediation actions.

A key priority in 2014 was ensuring each operation had a strong governance and control system to align with the ICM and its self-assessment requirements. We plan to assess all processes within our ICM at least once during 2015. Strengthening our overall processes and risk management, especially for Mobile Financial Services (MFS), will continue to be a focus in 2015.

Managing risks better

We now manage Information Security and Business Continuity Risk as part of a company-wide programme incorporating Physical and Information Security, Health, Safety, Fraud and Investigation Management. The work on integrated security management, specifically in the areas of Business Continuity Management (BCM) and Information and Physical Security, has led to a 25% improvement in the Loss Prevention Rating awarded to Millicom by insurers in 2014.

Strengthening control and compliance processes globally

In 2014, we have been working on a global policy governance framework to have a one-stop-shop for the creation, approval, update and storage for all global policies. The new structure was approved by the Audit Committee in 2014, and we will start rolling out our policy-tracking tool in 2015.

As part of the work to update the global policy governance framework, we reviewed all existing policies, and identified some opportunities to strengthen specific policies, and to issue new ones. We also completed a review and update of the Millicom Code of Ethics, which will be approved in the first quarter of 2015 and rolled out as Millicom Code of Conduct in 2015.

As part of our efforts to update and strengthen our Code of Conduct for our employees, we launched an independent, global helpline, Millicom Ethics Line, for our employees and any other stakeholders to raise concerns around unethical behaviour. The aim of the helpline is to consolidate a number of existing methods and channels of reporting, and provide our employees with access to a single point of support.

The helpline is backed up by a tool to track all reported allegations, and allows monitoring investigations and case outcomes for all types of unethical behaviour, from bribery and corruption, to fraud and labour related cases. Our Compliance and Business Ethics (C&BE) team is notified in real-time when an issue has been logged. The C&BE team have access to administer the tool and cases, and can follow up with the person in confidence and anonymously, where needed.

Responsible business
(Continued)

New global anti-money laundering policy was approved in 2014 with a transaction monitoring platform to be rolled out in 2015.

In 2014, we recorded 60 compliance cases via our new case management tool. As we have progressed on the consolidation of reporting channels throughout the year, we recognise the number of cases reported may not necessarily capture all cases managed by various functions in our operations.

To ensure our employees are aware of the helpline, and how to report concerns around unethical behaviour, we ran a company-wide communication campaign on "Doing Business the Right Way", with focus on the Code of Conduct and the Millicom Ethics Line. We will continue our efforts in improving our reporting process, via awareness campaigns.

On a regular basis the Internal Audit and Control team reports to the Audit Committee of the Board what processes were identified with an improvement opportunity via the self-assessment and internal audits along with the progress of the related action plans. In 2014, we reported key findings of self-assessments and internal audits to the Audit Committee five times. For any substantiated cases reported via the Millicom Ethics Line, our CB&E team would escalate the case as needed based on financial and reputation risks, and seniority of staff. There were no such cases in 2014.

Anti-money laundering

A new global anti-money laundering (AML) policy was approved by our Board of Directors at the end of 2014 to bring our local efforts around AML in line with the global nature of our Mobile Financial Services business. This policy will be rolled out in Q2 2015.

The global AML policy is the cornerstone of the Millicom global AML programme. It calls for the documentation of local standards in every local operation, outlines AML training and awareness requirements at all levels, appropriate due diligence for MFS employees, and a company-wide record retention mandate for AML records.

As our MFS business grows significantly, our AML programme will provide better accountability for risk management, and resources to improve our controls, including a global transaction monitoring platform being rolled out by a third party.

Anti-bribery and anti-corruption

Bribery and corruption have a significant negative impact on legitimate economic development in the emerging markets where Millicom operates and represent a significant risk to our business and communities. Millicom has a zero-tolerance policy towards all forms of bribery, corruption, extortion and fraud. Our employees and intermediaries are prohibited from offering or accepting any form of bribe, kickback or facilitation payment under any conditions.

We are therefore committed to meeting the highest standards of compliance with global and local anti-bribery and anti-corruption (ABAC) legislation and standards. Our internal processes are aligned with international best practices, including Transparency International's Business Principles for Countering Bribery, OECD's Anti-Bribery Convention, the US Foreign Corrupt Practices Act and the UK Bribery Act.

In 2014, we developed an ABAC programme that covers elements such as risk assessment and awareness, strengthened policy framework, and targeted training. We commissioned an independent company to conduct an anti-bribery and anti-corruption risk assessment. The review enabled us to understand inherent risk for all our country operations, and assess employee risk awareness. Our ABAC policy was updated and will be approved in early 2015.

The number of face-to-face training hours on ABAC has gone down notably, as our training priority in 2014 was to standardise training for senior management, including our Executive Team, and country leadership teams. In 2015, we aim to train all our employees, either via face-to-face training, or via the Millicom University e-learning module on ABAC and our updated Code of Conduct.

Preventing fraud

We developed three documents in the fraud policy framework in 2014 (fraud policy, fraud response standard and investigation standard), which will go to the Executive Committee for approval in 2015.

We also worked to strengthen country level reporting on fraudulent activities. All operations are now required to report any suspected insider fraud over $10,000 to the global fraud team within 72 hours by completing a reporting template, and all other fraud is reported quarterly to the global team. In 2015, we will continue to improve the quality of fraud reporting to the Audit Committee.

Many of the internal fraud investigations we undertake relate to localised, relatively low value fraud or collusion of some kind between employees, or employees and suppliers. Our strong focus on identifying fraud paid off and we uncovered two significant fraud cases in 2014. In Rwanda, a fraud perpetrated by a treasury accountant commenced in November 2013 and the total loss amounted to approximately $2 million. The stolen funds were all company assets; no customer accounts were affected. The matter is the subject of an ongoing criminal investigation. In Chad, an employee cashed out a large number of small MFS payments intended for non-customer recipients. The employee was dismissed and a criminal complaint has been filed.

Spotlight on responsible supply chain management

61%

of strategic suppliers had signed the Supplier Code of Conduct

In 2014 we carried out a review of supplier contract templates, making the Supplier Code of Conduct a mandatory annex. By signing the contract a supplier will also agree for us to audit their alignment to the Code.

5-year plan for responsible supply chain management

| Address legal risk | Roll out self assessments | Training of suppliers | On-site audits | Capacity building |

2014 ———— **2018**

2014 was a "back to basics" year to integrate controls for ethical supplier conduct into our procurement processes. In order to encourage more suppliers to self-assess, we realised that we first needed to strengthen the Code of Conduct and contractual controls.

Our Supplier Code of Conduct is a public statement of Millicom's commitment to spread responsible business conduct in our sphere of influence. It is part of a broader effort to ensure our suppliers act in a responsible manner, fulfilling our commitment to our Board of Directors, employees, customers, shareholders and other stakeholders.

If our suppliers violate local laws and international standards, this will present significant reputational risks for Millicom and Tigo. Any violation of responsible business conduct can escalate into major reputational scandals and affect a supplier's ability to provide Millicom a service or product.

What is more, ethical business conduct is often synonymous with good product and service quality, and financial viability and sustainability. When integrated into our supplier selection, contracting and monitoring processes, our Supplier Code helps us mitigate the risk of becoming legally liable for violations of local law and international standards of conduct by our suppliers. It also gives us leverage to monitor suppliers and demand for corrective action plans to be put in place in case of violations.

In 2014, we strengthened our Supplier Code of Conduct to include more details around worker treatment and protection aligned to International Labour Organisation (ILO) and International Organisation for Standardisation (ISO) standards regarding HSE. It also includes provisions around health and safety, workers' rights, employment conditions, and prohibitions against child labour. We made improvements in terms of language, formatting and content. To ensure the updates reflected all aspects of risk and opportunities for responsible supply chain management, our Procurement, Legal and Compliance, Security and Corporate Responsibility departments were involved in the updates.

The updated Supplier Code of Conduct also includes new requirements for equipment vendors to respect global safety limits regarding radio wave emissions, and a section on responsible sourcing focused on conflict minerals. We will now work towards ensuring that the Code will be implemented in every workplace that produces, finishes or otherwise handles goods or performs services for Millicom.

From the end of 2014, the Supplier Code of Conduct is a mandatory appendix to all new agreements to be signed with new suppliers and renewals. We are also sending the updated Code to all our existing local and global suppliers, and asking in return for a confirmation that the supplier fully agrees with it. We are providing support to each country team member who is now responsible for ensuring that the Code is used in all procurement processes.

In 2015, the next step in our five-year plan is to define "high risk" suppliers and begin supplier self-assessments. We will begin to do so through the Ecovadis supplier self-assessment tool. We will also provide more training to internal procurement teams and suppliers on the Supplier Code.

Responsible business
(Continued)

Spotlight on privacy and freedom of expression

This section is Millicom's first "Transparency report" on how we manage requests from governments and law enforcement authorities.

Protection of privacy and freedom of expression of our customers are among the most important corporate responsibility concerns at Millicom. As is the case for all providers of communications networks and services, Millicom faces risks relating to the handling of requests from government authorities for customer data, interception of communications and restriction of content or access to services.

These requests can challenge our corporate responsibility when, on the one hand they comply with local laws and on the other hand may contradict international human rights norms or standards, or when authorities do not follow due process mandated by local law.

Millicom is continuously working to strengthen its processes for handling government requests and to be transparent in our work relating thereto. We are a founding member of Telecommunications Industry Dialogue on Freedom of Expression and Privacy (ID) and have been actively working with the industry group to mitigate negative impact on freedom of expression and privacy of customers in the telecommunications sector since 2011. In October 2014, Millicom took over the Chairmanship of the ID.

Millicom's view on "transparency reporting"
In 2014, we received a number of requests from investors and civil society to increase transparency relating to government requests.

Millicom shares the view of the Telecommunications Industry Dialogue that the primary responsibility for transparency of requests for surveillance and interception lies with governments. They alone – as the entity making the requests in the first place – are aware of the bigger picture and the total amount of requests made to all operators in a country as well as the surveillance powers and techniques at their disposal.

Concurrently, we recognise that there is a great deal of value in operators sharing information about the practical challenges they face in protecting privacy and freedom of expression, the methods of surveillance in which they may be required to participate – and, in the absence of government transparency, giving an indication of the extent of surveillance.

Solely operating in emerging markets, we believe the most important step we can take is to be transparent on some of the core challenges we face in managing requests from governments, as these can be significantly different to those in more developed jurisdictions.

As a member of the ID, we have made a commitment to implement its ten Guiding Principles. This chapter is our public report of our progress in implementing those principles (as required by Principle 8). We will make reference to the specific principles throughout the text.

Policies and processes (ID Principle 1)
Millicom made a CEO-level commitment to the ID Guiding Principles as they were published in 2013, and the Principles and our commitment are available on our website. These Principles remain our main guiding document on how we manage challenges related to government requests.

In conjunction with the review of the Millicom Code of Ethics in 2014, we also clarified our high-level policy commitment to respecting privacy and freedom of expression. The new, revised Millicom Code of Conduct, replacing our Code of Ethics, was approved by the Board of Directors in the first quarter of 2015, and will be made publicly available later in the year.

Management committee
Issues relating to freedom of expression and privacy expose the company to legal, compliance, human rights and reputational risks, which in turn can translate into financial risk. To improve Millicom's management of these multiple risks, at the beginning of 2014 the company formed a Lawful Interception Policy Committee (LI Committee) to oversee work in this area.

Permanent members of the LI Committee include the EVP of External Affairs, General Counsel, Global Director of Compliance, VP of Corporate Communications, VP of Security, VP of Government Relations and COO of Mobile Financial Services. The Committee meets once a quarter, or as needed, and is chaired by the Head of Corporate Responsibility. It reports on relevant topics to the Executive Committee and the Board of Directors on a need-to-know basis.

In 2014, the LI Committee met four times and approved the revision of Millicom's Guidelines for Law Enforcement Assistance requests, approved a proposal for Millicom's transparency reporting and discussed major events as well as engagement and strategies with governments, law enforcement, industry and civil society.

The LI Committee agreed to gather centrally information on legal frameworks governing government requests in a consistent format to be available to all relevant internal teams. This work already began in 2014 and will continue in 2015. For the time being, this is for internal use, with the exception of some countries where such research is carried out jointly with peer companies and will be published.

Managing requests from governments
The LI Committee also agreed to carry out a review with all operations of their compliance with the Group's Guidelines for Law Enforcement Assistance requests (ID Principle 2 and 3). The Guidelines were revised from the 2013 version to also include requests relating to Mobile Financial Services (MFS). The Guideline defines:

– roles and responsibilities of different functions in managing requests and avoiding any conflicts of interest;
– how to map local legal powers and processes;
– how to protect the privacy of subscribers at every step when requests are received, assessed and delivered to the authorities;
– how to categorise and record requests for reporting purposes; and
– steps to take when local laws are absent or unclear and how to handle urgent requests.

All operations submitted their self-assessment of the status of compliance with the updated policy by the end of 2014. Most of the operations are well aligned with the global guidelines and will require only minor adjustments to their processes, mostly relating to how requests are categorised and recorded.

In 2015 legal and corporate responsibility teams will jointly work on action plans for those operations that require support in implementing the guidelines. Three countries in total, with relatively unpredictable political environments and challenges relating to rule of law, will require such support.

Requests for customer metadata
Millicom receives requests for customer metadata from authorities in all countries of operation. This is information relating to calls made and received, verification of customer identity, cell tower locations or IP address information.

Based on feedback from our operations, and where the information is available, nearly all requests for metadata relate to criminal investigations. In most cases, to protect the confidentiality of court proceedings, details of the actual case for which the requested information is used is not communicated to us.

Requests for interception and content take-down
Standardised lawful interception (LI) capability has been implemented in six out of our markets where legislation for its provision has passed, all in Latin America. In Bolivia a law restricting the use of interception only to cases of human trafficking has been approved but not yet implemented.

Legal powers to intercept calls exist in our African operations, but technical execution has not yet been mandated.

In four countries where Millicom operates the authorities directly access our networks. In these countries, Millicom does not receive requests for live interception and the company is not informed how frequently such powers are used.

With the exception of the one major event described below and requirements to block child sexual abuse content in Colombia in line with local legislation, we did not receive requests to take down content in 2014.

Number of government requests
Millicom is not able to publish actual numbers of requests received. This is due to lack of standardised systems to collect such information, different classification of requests, unclear laws relating to rights to publish information relating to any requests and, in some cases, security risks relating to even proposing transparency relating to such requests. We are addressing all of these issues, and to the extent possible, we are encouraging governments to work with us to progressively increase transparency as we tackle each of them.

Currently, Millicom operations do not have a unified way of recording the types of requests received and in most operations there are no electronic systems in place for this particular purpose. In all Millicom countries copies of requests that have been processed are kept securely, but the classification and indexing of requests are manual processes. From 2015 onwards all Millicom operations must file numbers of requests into four distinct categories: customer metadata, interception, content take-down and Mobile Financial Services data.

In 2014, we asked all operations to report on the total number of requests they had received for any of the above categories. Based on feedback from the operations, the great majority of all requests received were for customer metadata.

As was the case last year, on average our Latin American operations received significantly higher numbers of requests than the African markets. In countries where we have data available for this year and for 2013, the numbers of requests have remained at the same level.

As communicated in transparency reports by other telecom companies, there are several reasons why it is difficult to draw meaningful conclusions from comparing numbers of requests between specific countries. In Millicom's markets, total number of requests with all categories reported together varies from 35 to 10,000 per year per operation. Number of requests seems to correlate with the overall security situation and levels of serious crime in the country, population of the country, mobile penetration, as well as Millicom market share in the country.

**Responsible
business**
(Continued)

Spotlight on privacy
and freedom of expression

**Managing unlawful requests
and major events**
All operations reported that in 2014 they have rejected requests that did not adhere to the relevant legal process. In most cases this means that the requests were not made by a competent authority, they were incomplete as per local requirements, they were not made in writing or the requests were for information we do not hold or cannot access.

In our experience the failure to follow the legal process in these rejected requests is most often not intentional on the part of the requestor. Capacity-building of judicial authorities and law enforcement agencies is one of the key opportunities that we see in improving privacy protection of our customers in our markets.

There is a clear opportunity to support legislators to reform laws and processes to align with international human rights standards, to train law enforcement entities in privacy-respecting methods of criminal investigations utilising new technologies and generally to support more capacity for competent resources in matters of cyber security. Millicom will in 2015 engage more proactively with different development organisations on these opportunities.

In 2014, Millicom worked with the Industry Dialogue (ID) to define "major events" that would have a significant impact on the freedom of expression or privacy of our customers. These definitions also support company internal escalation processes and help us identify cases that qualify to be reported externally (ID Principle 8). These would be events such as network or service shutdowns, content restrictions or new legislative proposals.

Situations where the local law may contradict international human rights standards and conventions are particularly complex and sensitive, and pose high risks for our business and even the safety of our colleagues (ID Principle 5). Each situation must be put into a much wider context, considering each country's history, political environment, stability of institutions and rule of law – all of which are factored into our response. It is rare that we are not able to establish a dialogue of some kind on the practicality and collateral impact on rights of our customers in such situations.

We are also looking into ways we can influence local laws where the powers of government in national security situations are poorly defined. This is an area in which a multi-stakeholder approach is required.

Major events
In 2014, we had two "major events" in our operations. In both cases we engaged with authorities to minimise impacts on freedom of expression and privacy (ID Principle 4).

One such event in Africa related to blocking content – a website – considered by local authorities to pose a threat to national security. The original blocking request did not fulfil requirements for a lawful request, as it did not clearly originate from the competent authority.

While the request itself followed local law, Millicom only acted on the request once the official format and process had been followed. This delayed the action by two days.

The second major event of 2014 relates to Paraguay, where a proposal for a new data retention law to support law enforcement efforts in investigations, including for organised crime and for the distribution of illegal child sexual abuse material, was introduced. Millicom has engaged with the authorities and civil society to propose alternative language which would reduce the time and scope of the data retention to what is needed to achieve the law's objective. The judicial process in Paraguay included a human rights hearing. While the Senate approved the original version of the bill, in March 2015 the Paraguayan Chamber of Deputies rejected the law proposal in its proposed form largely due to privacy and human rights concerns. The law is still under review, and final congressional voting is expected to take place later in 2015.
(ID Principle 9)

With the GRCR Committee of the Board, it was agreed in 2014 that in any major events Millicom's usual crisis processes should be followed and decisions escalated as appropriate up to Board level. The company will mandate this process in 2015.

Engagement
In addition to bilateral engagement with governments and lawmakers on these issues, most of the external engagement by Millicom relating to freedom of expression has been together with the Telecom Industry Dialogue (ID).

With the ID we have provided input to consultations for initiatives such as the African Declaration of Internet Freedom and the UN Human Rights Council proposal for Special Rapporteur on Privacy. Millicom has also participated in public debates to share experiences and find collective solutions to challenges telecommunications companies face. Millicom participated in panels at the Stockholm Internet Forum in May, the Swedish International Development Agency workshop on ICTs and Human Rights in November, and the Industry Dialogue and Global Network Initiative Learning Forum in Geneva in December (ID Principle 7).

In 2015 and beyond our intention is to engage with stakeholders particularly on issues such as capacity building of legislators and law enforcement, and to continue to seek sustainable solutions with other stakeholders to situations where local law and international norms are in conflict.

Telecommunications Industry Dialogue Guiding Principles

1   Create and/or maintain relevant policies, with Board oversight or equivalent, outlining commitment to prevent, assess, and mitigate to the best of their ability the risks to freedom of expression and privacy associated with designing, selling, and operating telecommunications technology and telecommunications services

2   Conduct regular human rights impact assessments and use due diligence processes, as appropriate to the company, to identify, mitigate and manage risks to freedom of expression and privacy – whether in relation to particular technologies, products, services, or countries – in accordance with the Guiding Principles for the Implementation of the UN "Protect, Respect and Remedy" framework

3   Create and/or maintain operational processes and routines to evaluate and handle government requests that may have an impact on freedom of expression and privacy

4   Adopt, where feasible, strategies to anticipate, respond and minimise the potential impact on freedom of expression and privacy in the event that a government demand or request is received that is unlawful or where governments are believed to be mis-using products or technology for illegitimate purposes

5   Always seek to ensure the safety and liberty of company personnel who may be placed at risk

6   Raise awareness and train relevant employees in related policies and processes

7   Share knowledge and insights, where relevant and appropriate, with all relevant and interested stakeholders to improve understanding of the applicable legal framework and the effectiveness of these principles in practice, and to provide support for the implementation and further development of the principles

8   Report externally on an annual basis, and whenever circumstances make it relevant, on their progress in implementing the principles, and as appropriate on major events occurring in this regard

9   Help to inform the development of policy and regulations to support freedom of expression and privacy including, alone or in co-operation with other entities, seeking to mitigate potential negative impacts from policies or regulations

10   Examine, as a group, options for implementing relevant grievance mechanisms, as outlined in Principle 31 of the UN Guiding Principles for Business and Human Rights
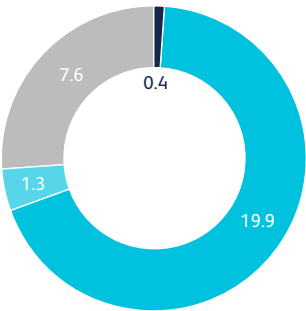
Performance data and 2014 targets

Our performance data

In 2015, we will start our ISO 27001 implementation to further strengthen our information security systems.

$7.6m
of direct community investment across all our markets

$29.3m
invested in our communities, including social impact spending and in-kind giving

Social impact investments in 2014 ($m)

- Monetary value of employee volunteering
- In-kind giving (at cost)
- Related management overhead costs
- Social impact spending/philanthropic cash contributions

Customer privacy (PR8)

| KPI	Total in 2014	Total in 2013
Substantiated complaints received concerning breaches of customer privacy received from regulatory bodies	5	4
Substantiated complaints received concerning breaches of customer privacy received from outside parties and substantiated by the organisation	2	0
Identified leaks, thefts, or losses of customer data	14	1,263[6]

Economic value generated and distributed (EC1)

KPI	2014
Direct economic value generated ($m)	
– Revenue	6,386
Economic value distributed ($m)	
– Operating costs	(1,886)
– Wages and benefits	(565)[7]
– Payments to government (income tax only)	(380)
Payments to providers of capital	
– Interest expense	(426)
– Dividends paid	(264)
Direct community investment	(7.6)
Economic value retained ($m)	
Total	2,857.4

Creating positive social impact in our communities

KPI	2014	2013
Investment in our communities ($ '000)		
– Monetary value of employee volunteering[8]	445	127
– In-kind giving (at cost)[9]	19,999	3,733
– Related management overhead costs	1,303	1,263
– Social impact spending/philanthropic cash contributions	7,582	7,368
Total monetary value of corporate citizenship philanthropic contributions ($ '000)	**29,329**	**12,491**

Fuel consumption (%)

- By our fleet
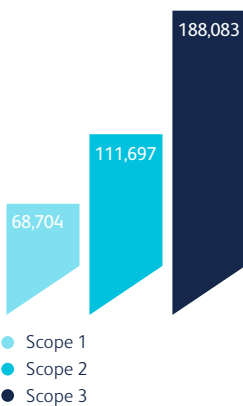- By our base station sites
- By our offices and shops
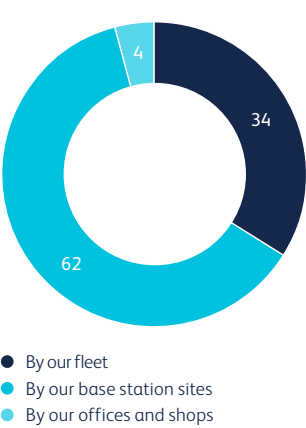
10%
decrease in energy consumption (kWh) per base station compared to 2013, despite the increase in total energy consumption

75%
of our total energy consumption is from our base station sites

35%
increase in solar power generated and used at base stations

Our carbon footprint in 2014 (CO_2e tonnes)

- Scope 1
- Scope 2
- Scope 3

Energy consumption

	2014	2013	2012
Fuel[10] consumption ('000 litres)	**25,908**	21,583	17,887
– Total fuel consumption at our base station sites[11]	15,958	13,036	n/a
– Total fuel consumption by our fleet[12]	8,889	7,499	n/a
– Total fuel consumption by our offices and shops	1,062	1,047	n/a
Fuel consumption (MWh)[13]	**255,877**	229,377	196,760
Solar power generated and used at base stations (MWh)	**582**	428[14]	n\a
Electricity consumption – non-renewable (MWh)	**252,905**	184,749	361,800
Electricity consumption – renewable[15] (MWh)	**159,382**	90,472	34,000
Cooling consumption – non-renewable (MWh)	**6,008**	75,767	n/a
Cooling consumption – renewable (MWh)	**17,334**	n/a	n/a
Total energy consumption (MWh)	**692,088**	580,793	592,560

Our carbon footprint

	2014	2013	2012
Scope 1[16] – CO_2e (tonnes)	**68,704**[17]	56,267	47,992
Scope 2[18] – CO_2e (tonnes)	**111,697**	92,130	102,363
Scope 3 – CO_2e (tonnes)	**188,082**	58,580	57,199
– CO_2e (tonnes) from base stations owned by a supplier	**181,155**[19]	53,590	52,304
– CO_2 air travel (tonnes)	**6,927**	4,990	4,895
– Total air travel p.km ('000)[20, 21]	**59,781**	51,400	~50,000
– Total short haul travel	**5,092**	n/a	n/a
– Total medium and long haul travel	**54,689**	n/a	n/a

Delivering low carbon[22] energy solutions

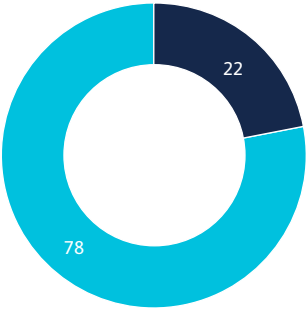|	2014	2013
Percentage of base stations running on hybrid battery solutions	**3.15%**	5.89%
Percentage of base stations running on solar power as primary power source	**0.9%**	0.56%

Performance data and 2014 targets
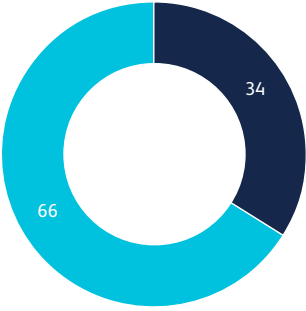**(Continued)**

Total workforce by type (%)

41
59
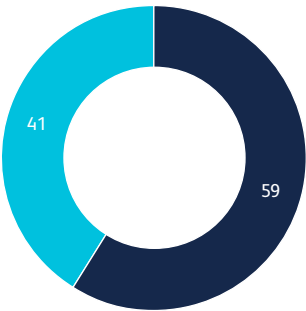
- Employees
- Outsourced workers

Our senior managers (%)

22
78

- Female
- Male

## Our employees excluding senior managers (%)

34
66

- Female
- Male

3 out of 9
of our highest governing body members are female

Profile of our workforce – Group-wide overview

KPI	2014	2013
Overview of our workforce		
Employees	**12,206[23]**	11,321
Outsourced workers[24]	**8,588[25]**	5,032
Permanent employees by employment type		
Full time	**11,782**	10,959
Part time	**5**	1
Our workforce – female employees		
Total permanent	**3,888**	3,540
Other[26]	**4,211**	2,306
Our workforce – male employees		
Total permanent	**7,899**	7,420
Other[26]	**4,796**	3,087
Our senior[27] managers by gender		
Female	**22%**	19%
Male	**78%**	81%
Our senior managers by age		
Below 30	**2%**	3%
30-50	**92%**	92%
Above 50	**6%**	6%
Our employees excluding senior managers by gender		
Female	**34%**	33%
Male	**66%**	67%
Our employees excluding senior managers by age		
Below 30	**38%**	43%
30-50	**59%**	55%
Above 50	**3%**	2%
Our employees on local employment contract (EC6)		
Senior managers	**84%**	82%
Other employees	**99%**	99%
Our new employee hires by gender		
Female	**37% (996)**	38% (913)
Male	**63% (1,696)**	62% (1,487)
Total	**22% (2,692)**	21% (2,400)
Our new employee hires by age		
Below 30	**56% (1,514)**	61% (1,460)
30-50	**43% (1,156)**	37% (883)
Above 50	**1% (22)**	3% (57)
Number of involuntary and voluntary leavers		
Involuntary	**1,044**	631
Voluntary	**1,428**	986

Our workforce, including outsourced employees

2,932
10,319
7,075
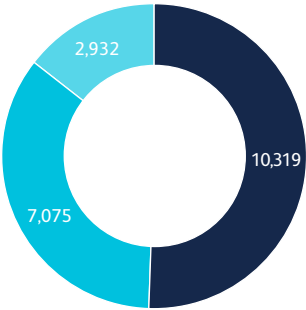
- South America
- Central America
- Africa

24
hours of training for female employees in 2014

23
hours of training for male employees in 2014

KPI	2014	2013
Employee turnover (and number of leavers)		
Female	**21% (839)**	14% (521)
Male	**20% (1,633)**	14% (1,096)
Employee absentee rate[28] (Total)	**0.62%**	0.54%
Our employees[29] covered by collective bargaining agreements (Total)	**6%**	8%

Profile of our workforce – regional breakdown, excluding our corporate offices

KPI	2014	2013
Our workforce, including outsourced employees		
South America	**10,319**	6,684
Central America	**7,075**	5,830
Africa	**2,932**	3,427
Our new hires		
South America	**22% (1,119)**	24% (1,067)
Central America	**23% (1,005)**	20% (785)
Africa	**17% (371)**	16% (416)
Employee turnover (and number of leavers)		
South America	**14% (729)**	12% (535)
Central America	**19% (822)**	17% (679)
Africa	**37% (822)**	12% (317)
Employee absentee rate		
South America	**0.78%**	0.48%
Central America	**0.65%**	0.67%
Africa	**0.22%**	0.39%

Average hours of training we provide our employees[30]

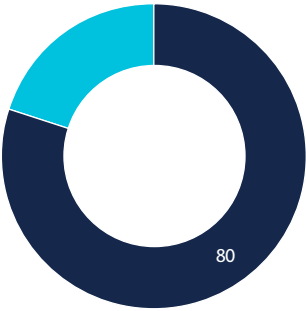| KPI	2014	2013
By employee category[31] (hours)		
Senior managers	**19**	17
Employees excluding senior managers[32]	**32**	55
By gender (hours)[33]		
Female	**24**	22
Male	**23**	22

Performance data and 2014 targets
(Continued)

83%
of our senior managers received anti-corruption training

+9%
of our middle managers were trained in our ABAC training programme in 2014. This was in addition to the senior managers whom the programme was aimed at

Our senior managers who signed the Code of Ethics (%)

80

● Signed

Responsible business
Our commitment to responsible business conduct – Group-wide overview

KPI	2014	2013
Our employees who have received anti-corruption training[34]		
Senior managers	83% (446)	39% (183)
Employees excluding senior managers	9%[35] (1,108)	73% (5,966)
Total	13% (1,554)	64% (6,149)
Our employees who have signed the Code of Ethics[35]		
Senior managers	80% (432)	67% (357)
Employees excluding senior managers	70% (8,151)	91% (9,784)
Our employees[36] that have completed the Conflict of Interest declaration (total)	67%	68%

Our commitment to responsible business conduct – Regional breakdown

KPI	2014	2013
Our employees[38] who have received anti-corruption training		
South America	21% (1,098)	77% (3,386)
Central America	5% (223)	45% (1,038)
Africa	10% (216)	68% (1,725)
Our employees who have signed the Code of Ethics		
South America	61% (3,139)	82% (3,625)
Central America	77% (3,368)	100% (3,982)
Africa	94% (2,076)	99% (2,534)
Our employees that have completed the Conflict of Interest declaration		
South America	77%	91%
Central America	40%	48%
Africa	54%	71%

Ethics Line

In 2014, we launched an independent, global helpline, Millicom Ethics Line, for our employees and any other stakeholders to raise concerns around unethical behaviour

110
cases reported into whistleblowing channels

101
cases investigated

8
investigations resulted in a written warning

54
investigations resulted in termination of an employee contract

Whistleblowing channels: giving our employees and external parties a platform to raise concerns about unethical behaviour

KPI	2014	2013
Cases reported into our whistleblowing channels, including Ethics Line		
Bribery and corruption	9	1
Discrimination and harassment	26	6
Human rights and labour	2	15
Conflict of interest	6	3
Fraud	52	76
Other	15	76
Total	110	177
Cases investigated		
Bribery and corruption	5	1
Discrimination and harassment	24	5
Human rights and labour	1	14
Conflict of interest	6	3
Fraud	52	76
Other	13	43
Total	101	142
Investigations resulting in a written warning		
Bribery and corruption	0	0
Discrimination and harassment	1	0
Human rights and labour	0	8
Conflict of interest	0	0
Fraud	2	16
Other	5	19
Total	8	43
Investigations resulting in termination of an employee contract		
Bribery and corruption	1	0
Discrimination and harassment	3	0
Human rights and labour	0	1
Conflict of interest	2	0
Fraud	48	45
Other	0	2
Total	54	48

Performance data and 2014 targets
(Continued)

Our targets

61%
of our strategic suppliers signed the Supplier Code of Conduct

2
cases of non-compliance with the Supplier Code of Conduct found and investigated relating to labour practices and fraud. No other non-compliance with the Code (including on human rights, environmental) reported

Responsible supply chain management – Group-wide overview and regional breakdown

	2014	2013
Our suppliers that have signed the Supplier Code of Conduct		
Strategic suppliers[37]	**61% (316)**	82% (323)
Other suppliers	**7% (595)**	12% (1,617)
South America	**7% (182)**	8% (270)
Central America	**11% (310)**	19% (657)
Africa	**11% (419)**	15% (1,013)
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations of our Supplier Code of Conduct (total)	**1**	3

	2014 target	Performance	Comment	2015 target	By 2018
Children's rights	– Code of Ethics revised during 2014, including a policy commitment to children's right	◐	The Code of Conduct was revised and rebranded in 2014 and was approved by the Audit Committee in Q1 2015.		
	– Re-start work on self-assessment tools, with the aim to finalise a self-assessment tool during 2014	●	First draft of the self-assessment tool was developed in collaboration with UNICEF.	– Conduct Child Rights Impact Assessments and carry out initial pilots in Rwanda and Tanzania in Q1, and two other African operations by end of 2015 – Organise child online protection workshops with stakeholders in three Latin American operations	– Conduct Child Rights Impact Assessments in all operations in Africa – Integrate promotion of parental controls and distribution of safe internet into mobile, fixed and cable TV customer processes in Latin America
	– Clarify the company's policy on child labour	●	In December 2014, we published a new Child labour and young workers policy.	– Carry out first internal audit of Child labour and young workers policy compliance in 2015 across all our operations	
Health and safety	– HSE management system fully implemented in all operations by the first half of 2014	◐	Our incident reporting tool was successfully rolled out Group-wide in 2014.	– Give all Tigo staff access to the tool to log any incident using this tool	
	– Four operations in line with OHSAS 18001 by end of 2014 – All operations in line with OHSAS 18001 by end of 2015		We received our first external audit in Bolivia and Tanzania moving us closer to OHSAS 18001 accreditation.	– All operations in line with OHSAS 18001 by end of 2015	

● Achieved   ◐ In progress, not complete   ● Not achieved

Performance data and 2014 targets
(Continued)

	2014 target	Performance	Comment	2015 target	By 2018
Environment	– E-waste processed through certified e-waste vendor(s) in all regions by first half of 2014	In progress	By the end of 2014, we had selected certified e-waste vendors but implementing new process will require more time than first estimated. E-waste was processed through certified vendors in Tanzania and El Salvador.	– Continue to implement new e-waste process in all operations – E-waste process completed and waste sold through certified e-waste vendors for six operations	– Global e-waste process implemented in all operations to manage e-waste through responsible vendors
	– Online non-financial data collection system implemented during first half of 2014	Achieved	Our online non-financial data collection tool was successfully rolled out to all operations.		
	– Carry out an industry benchmark during 2014 to consider new target setting based on 2013 data – To reduce CO_2 emissions per base station by 50% by 2020	In progress In progress	We conducted a benchmark with GSMA on energy efficiency. At the end of 2014, CO_2 emissions per base station where 39% lower than on base year 2008.	– Review environmental target setting process and approach to science-based targets for carbon reduction	– Extend environmental reporting to consider emissions relating to logistics and supply chain
Diversity			Diversity Programme launched to initially focus on gender diversity and increasing women in senior management. The percentage of women in senior management rose to 22% in 2014.	– Carry out global benchmark of family-related policies – Introduce number of measures and indicators to identify local challenges affecting female turnover and gender balance in senior management	– Increase the number of women among senior managers each year up to what we deem to be an acceptable level
Compliance and anti-corruption	– The Code of Ethics updated in 2014 – Initiate training in the Code of Ethics in 2014 and continue through to 2015 on a global level	In progress	The rebranded Code of Conduct was revised in 2014 and approved by the Audit Committee in Q1 2015. All senior managers were targeted for anti-corruption and anti-bribery (ABAC) training, with 83% completing the training in 2014.	– Launch the new Code of Conduct – Design and launch training on the Code of Conduct for all employees in collaboration with the Millicom University	– Implement all elements of the Millicom ABAC programme, such as: – Clear principles and policies – Standardised awareness training approach adapted to each operation's needs and risk levels – Harmonised ABAC due diligence process across the third parties and Millicom operations – ABAC programme embedded cross-functional risk management, and linked to Group-wide improvement measures to Compliance KPIs on awareness training, both training provided and received
Responsible supply chain management	– Top 20 suppliers (based on spend) in each country have signed the Supplier Code of Conduct and completed a self-assessment against the Code by end of 2014	In progress	We revised our approach to supplier responsibility, and updated Supplier Code of Conduct. We also carried out revision of contract templates. From the end of 2014, the Supplier Code is a mandatory annex to all new agreements to be signed with new suppliers and renewals. Supplier self-assessments were carried out in Costa Rica.	– Define "risk matrix" for suppliers – Begin supplier self-assessments through Ecovadis supplier self-assessment tool, focusing on global Top 20 suppliers by risk – Provide training to all internal procurement teams, and to top buyers internally on Supplier Code and monitoring	– Include on-site audits to monitoring programme – Shift focus from monitoring to capacity building of local suppliers, with first programmes in place by 2017
Privacy and freedom of expression	– Create cross functional group to oversee the company's approach to law enforcement assistance – Implement global guidance for receiving and processing law enforcement assistance requests by end of 2014	Achieved	Lawful Interception Policy Committee established and met four times in 2014. All operations submitted a self-assessment of the status of compliance with the updated global guidance.	– Action plans for operations that require further support in implementing the guidelines – Template for operations to record requests in a unified manner – Major events related process and guideline approved for the Group	– Complete an external review of Millicom's policies and processes relating to privacy and freedom of expression

● Achieved   ◑ In progress, not complete   ● Not achieved

Global Reporting Initiative G4 content index

This report describes our corporate responsibility (CR) approach and performance in the calendar year 2014. It is our third CR report. Our previous CR report covering year 2013 was published in April 2014. This report is in accordance with the GRI G4 guidelines under the Core option.

This report covers the same scope as our financial reporting except for Nicaragua and our Stockholm corporate office (which are excluded based on immaterial size) and data from UNE operations in Colombia. All other country operations and global offices are included except where stated. Where regional data is stated it excludes data from our corporate offices.

Any changes in definitions or scope of specific indicators are disclosed. In 2014, Millicom adopted a sustainability reporting tool to further improve data accuracy and consolidation.

Since the last report, we announced in 2014 the completion of a merger with UNE, a large publicly owned cable and mobile operator in Colombia. We expect to include information from UNE in our 2015 corporate responsibility report.

In preparation of this report, we have considered the views of our stakeholders from the following groups: Millicom (internal), investors, NGOs, governments, suppliers and customers. Senior management within Millicom determined the scope of this report based on an assessment of the material issues identified by stakeholders.

Following an assessment in 2013, a list of 13 material issues were selected and form the principal content of this report, which were further focused in 2014 based on stakeholder consultation.

Millicom's generic management approach to CR is described on pages 10-11 in this report and covers all aspects identified as material through our materiality process. The page references for disclosures on management approach in the index table below refer to where information on management approach on specific aspects is disclosed.

We believe external assurance adds credibility to our reporting and provides us with useful feedback. We have asked an independent assurance provider, DNV GL, to review this report. Their statement is on pages 56 to 58.

If you have any questions about the contents of this report or wish to give us your feedback, please contact:

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CR@millicom.com

General standard disclosures		Page number	External assurance
Strategy and analysis			
G4-1	Chairman's statement; Africa review from Executive Vice President, Africa; and Latin America review from Senior Executive Vice President, Latin America	6-7, 8, 9	Yes (56-58)
Organisational profile			
G4-3	Name of organisation	2	
G4-4	Brands, products and services	2	
G4-5	Location of headquarters	2	
G4-6	Countries of operation	2	
G4-7	Ownership and legal form	2, 60 (both on AR 2014)	
G4-8	Markets served	2, 8, 9	
G4-9	Scale of organisation	2-3	
G4-10	Employee breakdown	44-45	Yes (56-58)
G4-11	Percentage of employees covered by collective bargaining agreements	32, 45	
G4-12	Description of supply chain	37	
G4-13	Significant changes during the reporting period	52	
G4-14	Whether and how the precautionary approach is applied	52	
G4-15	External principles, charters or initiatives to which the organisation subscribes or endorses	36, 41	
G4-16	Memberships	12-13	
Material aspects and boundaries			
G4-17	Entities included in the organisation's consolidated financial statements which are not included in this report	52	
G4-18	Process for defining aspect boundaries and report content	10-11, 52	
G4-19	List of material aspects identified	10-11, 14-15	Yes (56-58)
G4-20	Aspect boundary within the organisation	10-11	
G4-21	Aspect boundary outside the organisation	10-11	
G4-22	Restatements from previous reports	58	
G4-23	Significant changes from previous reporting periods	52, 58	

General standard disclosures		Page number	External assurance
Stakeholder engagement			
G4-24	List of stakeholder groups	12-13	Yes (56-58)
G4-25	Basis for identification and selection of stakeholders with whom to engage	10-13	Yes (56-58)
G4-26	Approach to stakeholder engagement	12-13	Yes (56-58)
G4-27	Key topics and concerns raised through stakeholder engagements	12-13	Yes (56-58)
Report profile			
G4-28	Reporting period	52	Yes (56-58)
G4-29	Date of most recent previous report	52	Yes (56-58)
G4-30	Reporting cycle	52	Yes (56-58)
G4-31	Contact	52	Yes (56-58)
G4-32	'In accordance' option chosen and GRI index	52-55	Yes (56-58)
G4-33	External assurance	56-58	
Governance profile			
G4-34	Governance structure	10-11; 39, 61-63 (AR 2014)	
Ethics and integrity			
G4-56	Corporate values	35-36	Yes (56-58)

Specific standard disclosures		Page number	Comment	External assurance
DMA and indicators				
Economic				
G4-DMA	Disclosures on management approach	16, 17, 21		
G4-EC1	Direct economic value generated and distributed	42		
Market presence				
G4-DMA	Disclosures on management approach	8, 29		
G4-EC6	Proportion of senior management hired from the local community	29		
Indirect economic impacts				
G4-DMA	Disclosures on management approach	16, 17, 24		
G4-EC7	Development and impact of infrastructure investments and services supported	16-17		
G4-EC8	Significant indirect economic impacts, including the extent of impacts	25, 32, 42		
Environmental				
Energy				
G4-DMA	Disclosures on management approach	11, 22, 23		
G4-EN3	Energy consumption within the organisation	22, 43		Yes (56-58)
G4-EN6	Reduction of energy consumption	22, 43		
Emissions engagement				
G4-DMA	Disclosures on management approach	22		Yes (56-58)
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	43		Yes (56-58)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	43		Yes (56-58)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	43		Yes (56-58)
Supplier environmental assessment				
G4-DMA	Disclosures on management approach	14, 37		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	23, 37, 48		

Global Reporting Initiative G4 content index
(Continued)

Specific standard disclosures		Page number	Comment	External assurance
Social				
Employment				
G4-DMA	Disclosures on management approach	29, 31-32		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	44-45	Yes (31-32)	Yes (56-58)
Occupational health and safety				Yes (56-58)
G4-DMA	Disclosures on management approach	27-28		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	28		Yes (56-58)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	27, 45	2014 was the first year of using our reporting tool, and we were able to better track work related injuries. In 2015, we will support all staff in getting more familiarised with the reporting tool, which will improve the reporting quality.	
Training and education				
G4-DMA	Disclosures on management approach	31-32		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	32, 45		Yes (56-58)
Diversity and equal opportunity				
G4-DMA	Disclosures on management approach	29-31		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	44		Yes (56-58)
Supplier assessment for labour practices				
G4-DMA	Disclosures on management approach	27, 37		
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	48		Yes (56-58)
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	27, 48		
Non-discrimination				
G4-DMA	Disclosures on management approach	30, 35	As per our Code of Ethics and Supplier Code of Conduct.	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	47		

Specific standard disclosures		Page number	Comment	External assurance
Supplier human rights assessment				
G4-DMA	Disclosures on management approach	27, 37		
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	27, 48		
Assessments				
G4-DMA	Disclosures on management approach	33, 39		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	33, 39	During 2012, all Millicom's operations were subject to Human rights review. This year we signed an agreement with UNICEF to jointly pursue the development of a mobile operator specific child rights impact assessment tool. All operations conducted a self-assessment of the status of compliance with the updated lawful interception guideline by the end of 2014.	
Human rights grievance mechanisms				
G4-DMA	Disclosures on management approach	36		Yes (58-60)
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	47		Yes (58-60)
Anti-corruption				
G4-DMA	Disclosures on management approach	35-36		Yes (58-60)
G4-SO4	Communication and training on anti-corruption policies and procedures	35-36, 46		Yes (58-60)
G4-SO5	Confirmed incidents of corruption and actions taken	47		
Customer health and safety				
G4-DMA	Disclosures on management approach		Information is available on our website	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services		There were no incidents reported in 2014.	
Product and service labeling				
G4-DMA	Disclosures on management approach	19-20		
G4-PR5	Results of surveys measuring customer satisfaction	19-20		
Customer privacy				
G4-DMA	Disclosures on management approach	38-41		Yes (58-60)
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	42		Yes (58-60)

Independent assurance statements

Independent assurance statement
Scope and objectives
Millicom commissioned DNV GL Business Assurance Services UK Limited ("DNV GL") to undertake independent assurance of the Corporate Responsibility Report 2014 (the "Report") for the year ended 31 December 2014.

The assurance process was conducted in accordance with AA1000AS (2008), using DNV GL's VeriSustain methodology. We were engaged to provide Type 2 moderate level assurance, which covers:

– evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and
– the reliability of specified sustainability performance information as indicated on the Global Reporting Initiative (GRI) table on page 52-55. We used the Global Reporting Initiative Quality of Information Principles and relevant data protocols as criteria for evaluating the selected performance information.

A "high level" of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our assurance opinion.

We understand that the reported economic data and information are based on data from Millicom's Annual Report and Accounts 2014, which are subject to a separate audit process by Ernst & Young. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

Data from the recent merger with UNE in Colombia are excluded from our scope.

Responsibilities of the Directors of Millicom and of the assurance providers
The Directors of Millicom have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Millicom; however, our statement represents our independent opinion and is intended to inform all of Millicom's stakeholders. We were not involved in the preparation of any part of the Report except for this Assurance Statement.

This is the third year that we have provided assurance of Millicom's Report. Our assurance team provided one additional service to Millicom in 2014: the development of e-learning training modules for corporate responsibility managers and wider employees, on corporate responsibility related topics. We have not been involved in the implementation of any of the recommendations made during the course of this assurance process. The e-learning provided to Millicom by DNV GL does not constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion
A multi-disciplinary team of sustainability and assurance specialists performed work at Millicom's corporate office in London, and at selected sites. We undertook the following activities:

– Review of the current corporate responsibility issues that could affect Millicom and are of interest to stakeholders.
– Review of Millicom's approach to stakeholder engagement.
– Review of information provided to us by Millicom on its reporting and management processes relating to the Principles.
– Interviews with selected Directors and senior managers responsible for management of corporate responsibility issues and review of selected evidence to support issues discussed. We were free to choose interviewees and our interviewees included: the interim CEO and Chief Financial Officer (CFO), Executives with overall responsibility for Millicom's corporate responsibility strategy and programmes; for Millicom's operations in Africa and Latin America; and for Millicom's human resources; and management responsible for specific functions, including supply chain, security and fraud.
– Site visit to Tigo Tanzania to review process and systems for preparing site level corporate responsibility data and implementation of corporate responsibility strategy.
– A review of the process that Millicom management have undertaken to set up the new online system for collecting and consolidating Corporate Responsibility data.
– Review of supporting evidence for key claims and data in the report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated corporate level.
– Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation.

Opinion
On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Millicom's adherence to the Principles. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level as described, nor that the assumptions used were inappropriate.

Observations
Without affecting our assurance opinion we also provide the following observations.

The integration of Corporate Responsibility (CR) efforts across Millicom continued in 2014, notably through the development of the organisation's new CR Strategy, which focuses on five of Millicom's most material issues. Millicom also made significant steps to improve the organisation's data collection systems and processes with the implementation of the new non-financial data reporting tool.

Stakeholder inclusiveness
The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

– In 2014 Millicom strengthened its CR governance structure, while ensuring that tracking and analysis of stakeholder engagement at corporate level remained strong. Millicom's country level operations have now also started to map their stakeholders and understand CR issues. Future reports should disclose how issues raised at country level are being considered by the Government Relations and Corporate Responsibility Committee. Millicom should also demonstrate how country level engagement is shaping the implementation of the new CR strategy.

– We recommend increasing Millicom's disclosure on its value chain in order to better align with the GRI G4 requirement to report on the boundaries of each material issue, and the impact of the business outside of the organisation. Millicom should consider enhancing its reporting on suppliers, distributors, freelancers and outsourced services.
– Millicom adopts a leading role with respect to engagement on key issues within the sector; notably children's rights, demonstrated by Millicom's partnership with UNICEF, and privacy and freedom of expression, demonstrated through Millicom's position as Chair of the Telecommunication Industry Dialogue. We encourage Millicom to continue this high-level engagement relating to the issues of greatest materiality.

Materiality
The process for determining the issues that are most relevant to an organisation and its stakeholders.

– Millicom has made good progress in developing and approving policies and systems that align to its most material issues and the focus areas of the new CR strategy, for example the global diversity programme, the Supplier Code of Conduct, and the Child labour and young workers policy. We recommend reporting on the implementation of these policies and programmes at country level.
– Management of environmental issues has been strengthened through the global energy efficiency benchmarking and the e-waste programme pilots in El Salvador and Tanzania. The new Health and Safety incident reporting tool was rolled out in 2014. Further improvement initiatives are underway and we recommend inclusion of these in future reporting.

Responsiveness
The extent to which an organisation responds to stakeholder issues.

– Millicom has introduced short and long-term performance targets aligned to the CR Strategy. Where appropriate, we recommend further developing these targets to make them more specific and measurable. This will enable stakeholders to form a better view of Millicom's ambition and performance over time.
– The Report communicates Millicom's response to stakeholder issues and how this is shaping the key areas of Millicom's CR strategy and the implementation of company-wide policies and programmes. The report also includes information on the launch of many pilot initiatives in a limited number of markets. It is difficult for stakeholders to assess the impact of these pilot initiatives on overall global performance at this point. We understand that future reports will enable Millicom to disclose the outcomes of these initiatives and how they are being implemented systematically across the business.
– The Report provides a balanced account of Millicom's performance, recognising the evolutionary nature of Millicom's CR journey, and reflecting both positive and negative aspects.
– Millicom has significantly increased transparency relating to freedom of expression and privacy-related risks and opportunities, in addition to its global implementation of the Guiding Principles of the Telecommunication Industry Dialogue.

Independent assurance statements
(Continued)

Overview

Strategy

Performance

Performance information

– On the basis of evidence we evaluated, data review mechanisms at corporate level were found to be robust, and have been strengthened further from previous years through the new CR data reporting tool. During our assurance work most errors identified from collation processes at Group level were found to be a result of the initial set up and very recent implementation of the new CR data reporting tool. These were corrected before finalisation of the Report.

– The proportion of manual data collection and collation at country level, and therefore the risk of human error, remain high. As the maturity of the data collection processes at operational level continues to evolve, we recommend improving the formal sign-off processes within country operations. The new CR data reporting tool also has the potential to improve the audit trail for data collected at country level.

– Millicom has introduced training on data collection requirements, which has improved understanding at country level. However, the risk of data omission or incorrect inclusion remains, as data boundaries and calculation methods are not always consistently understood and applied. We recommend: updating the definitions of all KPIs to facilitate consistent understanding across the business; clarifying data boundaries; and providing further guidance and training for country operations on how to collect and calculate the data.

– Re-statements and explanatory footnotes are presented when and where applicable, reflecting the evolving nature of Millicom's data collection processes.

For and on behalf of DNV GL Business Assurance Services UK Limited
London, UK
31st March 2015

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Footnotes to this Corporate Responsibility Report 2014

1 Our services in Nicaragua are exclusively aligned to the country's corporate sector and data isn't comparable to the scale of our other operations.

2 Including UNE employees.

3 Source: CIA World Factbook, except for Colombia, ICT Ministry Colombia Q3 2014.

4 This is penetration among the population of Kinshasa, Bas Congo and Kivu regions.

5 Millicom only offers fixed cable services in Costa Rica and Nicaragua.

6 2013 data included cases where criminals had created accounts in other people's names. In 2014, such cases are not included as they do not relate to leaks, thefts or loss of data.

7 This number is slightly lower than the published figure on page 105 of our 2014 Annual Report. The CR report figure is recalculated based on subsequent GRI G4 definition to exclude cost items directly related to the employee's job function.

8 Monetary value of employee volunteering is estimated using the median hourly salary of the country operations. It only includes volunteering done by employees during regular working hours tracked in a systematic manner.

9 In 2014, we focused our community investment more on creating social impact via our products and services. We have been able to deliver and report on the monetary value of significant SMS campaigns such as our Malaria No More campaign in Chad, reaching our 2.5 million customers. We will work with our operations to improve our reporting on such campaigns in 2015.

10 Includes diesel and gasoline consumption.

11 Significant increase in fuel consumption is explained by increase in rural coverage with lower access to grid electricity, as well as increased unreliability of grid electricity in some African operations.

12 In Rwanda, we estimate total fuel consumption for fleet is 50/50 split between diesel and gasoline. Where unable to separate diesel & gasoline, the higher conversion factor (diesel) has been applied. This has been done for fuel consumption in fleet for Guatemala in 2014, fuel consumption in Honduras in 2013 and all fuel for 2012.

13 Conversion factors for volume to energy calculations for diesel and gasoline are based on DEFRA guidelines.

14 2013 data restated for Chad and Senegal to assume six hours of sunlight for consistency across 2013 and 2014 calculations in all countries.

15 Where the national grid provides us with renewable electricity, we were able to take this into account while reporting renewable electricity data. 2014 figures include electricity from Colombia, Paraguay, Senegal, DRC, and Guatemala. 2013 figures include electricity from Paraguay, DRC, Rwanda and Paraguay. 2012 figures include data from Paraguay.

16 Boundary for GHG Scope 1 & Scope 2 inventory is operational control. Source emission factors: 2006 IPCC guidelines.

17 There are two reasons for the increase in Scope 1 emissions in 2014. Firstly, we relied more on our generators for electricity (see footnote 11 on increase of fuel consumption). Secondly, we have improved the data quality with our new reporting tool. For example, we are now able to report on fuel consumption at base station sites in Senegal and Costa Rica. Our energy consumption per base station still shows a decreasing trend, with 10% reduction since 2013.

18 CO_2 from cooling is calculated using the same emission factor as for non-renewable electricity.

19 Data includes Ghana, DRC, Tanzania and Colombia. In 2014, we expanded our operations in some of these countries significantly. The increase is also due to increased number of base station sites transferred to suppliers in Africa, and partly as we are able to report data from a broader supplier base.

20 2014 is the first year we started to collect more detailed data on air travel mileage, including travel class, and distance-based categories like short, medium and long haul. CO_2 emissions for 2014 are therefore estimated using CO_2 emission factors for "short", and "medium and long haul" travel in the GHG Protocol. Where data was available on travel class, respective emission factors for economy, business or first class are used. Where data wasn't available on the travel class, we used respective "seating unknown" emission factors. 2013 CO_2 emissions were estimated using CO_2 emission factors for short haul travel (seating unknown) in the GHG Protocol calculation tool.

21 Data excludes Bolivia.

22 Figures based on base stations owned by Millicom.

23 All employee related data and breakdown excludes UNE employees. Including UNE, Millicom had a total of 23,297 employees at the end of 2014.

24 Outsourced workers and indirect employees hired through a third party and receive a monthly salary.

25 Increase in 2014 is primarily due to outsourcing of network maintenance teams in some countries.

26 Including outsourced and fixed term/temporary employees

27 "Senior management" is defined as pay grade 14 and above, representing approximately 500 persons.

28 As we reviewed our reporting definitions and rolled out our online reporting tool in 2014, we identified discrepancies in how the country operations applied the Group-wide definition of absentee days. We will work with our operations to align the definitions, and the numbers reported in 2015 may increase notably as a result. Data excludes Honduras, Tanzania and Corporate offices.

29 For both years, data includes all employees in Chad and DRC and some in Senegal where negotiations are ongoing. In 2013, data included staff from the acquisition of Cablevision in Paraguay who were under a previous collective agreement.

30 The approach to record training hours varies across countries. In some countries these include training on health and safety and customer service training. We are unable to report training delivered at corporate offices.

32 Average hours of training by gender in 2013 excludes data from Costa Rica, Senegal, DRC, Guatemala and Bolivia operations as it was not systematically tracked during 2013. In 2014 we were able to report on this for all countries except Senegal. For Senegal, we were able to include the gender and employment category breakdown for around 35% of the total training hours reported by the country.

33 2013 data excludes Guatemala, Rwanda and Ghana operations. For Chad, El Salvador and Costa Rica, number of employees trained during 2013 was added to 2012 year-end figures.

34 In 2014, we prioritised delivering training to our senior management, and depending on the country review, at times, to middle management. In 2015 we will make the training available to our employees at all levels.

35 2014 data in El Salvador also includes outsourced employees who signed the Code, as they have Tigo email accounts and would be perceived as Tigo staff by our external stakeholders. In 2015 we will look to adopt a consistent approach for such workforce.

36 Direct employees who have signed the Conflict of Interest declaration, except for El Salvador. 2014 data in El Salvador also includes outsourced employees who signed the form, similar to footnote 35.

37 Strategic suppliers includes those that are seen as key partners for the development and roll out of Millicom's business strategy and operations. They represent 5% of our total supplier base.

Keep in touch with Millicom's progress throughout the year on our website and social media.

– Latest news
– Financial results, publications
  and presentations
– Financial calendar
– Who we are
– What we do
– Where we operate
– Our responsibility

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