



Sustainability Bond Framework

For Millicom International Cellular S.A.
and its wholly-owned subsidiaries

February 2019

An Introduction to Millicom International Cellular S.A.

Millicom is a leading provider of fixed and mobile communication services dedicated to emerging markets. The company is in the forefront when it comes to providing high-speed broadband, mobile communications, innovative services with the company's trademark The Digital Lifestyle™ to more than 48 million customers primarily in Latin America and some African markets under the Tigo and Tigo Business brands. Millicom's purpose is to build the digital highways that connect people, improve lives and develop communities. The company's mission is to provide the best, most secure digital highways, and to be the first choice for customers in its markets.

Connecting the unconnected

There are more than four billion people unconnected in the world, roughly 60 percent of the global population. Over 95 percent come from emerging markets. These are the people who stand to benefit the most from online connectivity as a means to improve quality of life and economic opportunities. The table on the right shows the countries where Millicom operates. Throughout Millicom's geographic areas broadband penetration rates are typically on the low to medium range.

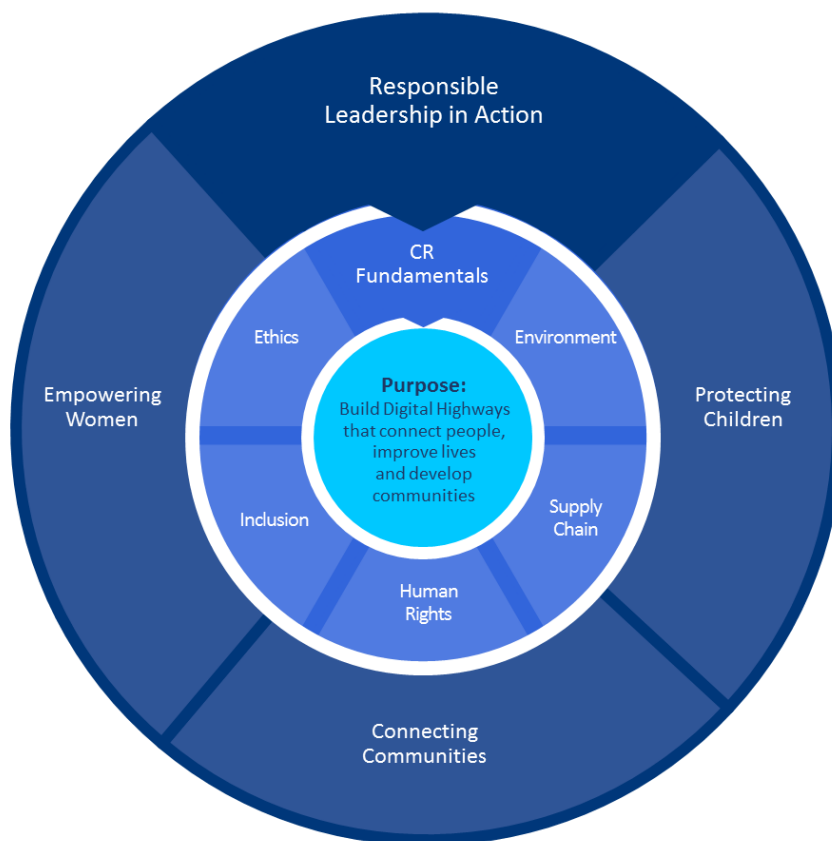
Country	Population	GDP per capita
Bolivia	11 million	7,200 USD
Colombia	47 million	14,100 USD
Costa Rica	5 million	16,100 USD
El Salvador	6 million	8,900 USD
Guatemala	15 million	7,900 USD
Honduras	9 million	5,300 USD
Nicaragua	6 million	2,200 USD
Paraguay	7 million	9,500 USD
Panama	4 million	15,100 USD
Chad	15 million	700 USD
Tanzania	54 million	910 USD

Source: The World Bank

Sustainability at Millicom

Millicom's business model for growth builds on driving digital transformation in the countries where the company operates. Network expansion and the adoption of a digital lifestyle provide significant access to education, the labour market, and the health and financial services which can move people out of poverty and into the mainstream economy. Millicom considers that enabling access to, and the use of, digital technology enhances basic human rights.

Millicom believes that the success and sustainability of its business is inseparably linked to the success and sustainability of the countries in which the company is present. Millicom is a purpose-driven company and regards the company's investments and businesses in emerging markets as a social good. Corporate responsibility (CR) is therefore an integral and fundamental part of the company's strategy, as expressed in the Corporate Responsibility Framework illustrated below.



Millicom’s Corporate Responsibility Framework has two core elements:

- 1) **Corporate Responsibility Fundamentals**
- 2) **Responsible Leadership in Action.**

1. Corporate Responsibility Fundamentals

The first element of the company’s Corporate Responsibility Framework involves identifying the prerequisites for the health of Millicom’s business and the societies where the company operates. CR Fundamentals are core to Millicom’s purpose, culture and relationships. They guide the company’s workforce on how to conduct business in the right way. Millicom’s Corporate Responsibility team actively works across Millicom’s business functions on ethics, human rights, supply chain risk management and environmental stewardship issues with the aim of operating as a responsible corporate citizen, and through its influence across the value chain, to create a positive ripple effect in their markets.

Supply Chain

Millicom's commitment to sustainability extends to its supply chain. Its Supplier Code of Conduct requires suppliers to conduct themselves with the highest standards of honesty, fairness and ethics and sets baseline expectations in the areas of health & safety, environment, fair labor and compliance. As part of the supplier qualification process and contractual process, suppliers must acknowledge that they will act in accordance with the Code of Conduct and obtain or exceed a threshold score for their CR performance under Millicom's sustainable procurement platform.

Environment

Millicom's approach to environmental sustainability includes the reduction of energy consumption by integrating efficiencies in its decision-making process for capex, spectrum acquisition and smart architecture. Through the combination of these factors, Millicom strives to expand and improve coverage and connectivity for its customers, reduce energy consumption and reduce environmental impacts to land and biodiversity.

2. Responsible Leadership in Action

The second element of the Corporate Responsibility Framework focuses on the promotion of a safe and productive adoption of the digital lifestyle by the company's customers by engaging in programs emphasized on connecting communities, empowering women and protecting children online.

Connecting communities

Connected communities are strong and engaged communities. Millicom is committed to connecting the unconnected through its digital highways. By equipping local communities with digital equipment, networks and education, Millicom seeks to help communities become part of the digital ecosystem and more prosperous. Moreover, Millicom's plans to acquire more spectrum and migrate its network to 4G technology will provide communities with affordable and greater access to the digital world and change the way they live and work.

Empowering women

In many of the markets where Millicom operates, there is a clear gender gap in mobile usage. Millicom provides services and training specifically aimed at integrating women into the digital ecosystem. By accelerating digital inclusion and closing this gender gap, Millicom helps women catalyze socioeconomic progress in their families and communities.

Protecting children

Millicom works together with UNICEF and other experts on a number of initiatives to empower children to navigate the digital world more safely and productively. This includes providing training and written guidance to customers, children, teachers and mentors, and engagements with key decision-makers in Latin America and Africa to promote the protection of children online.

Broader Commitments and Engagement

Millicom supports the United Nations Sustainable Development Goals (SDGs) as part of its commitment to a business strategy that is aligned with the objective of shared and sustainable growth. Millicom is focused on those areas of greatest



intersection between Millicom’s business and society, and where the company can add the most value and make the greatest contributions. Guided by Millicom’s values which are rooted in respect, trust and integrity, and the goals listed on the right, the company works with partners and stakeholders to contribute to society while ensuring the long-term success of its business.

Sustainability Bond Framework

This Sustainability Bond Framework is aligned to the Social Bond Principles and the Green Bond Principles published in 2018 by the International Capital Markets Association and has been prepared in cooperation with DNB and Nordea. This Sustainability Bond Framework covers the operations of Millicom International Cellular A.S. and all its wholly-owned subsidiaries.



Use of Proceeds

Millicom’s Sustainability Bonds will raise funds to finance projects with social and environmental benefits. Only such assets and projects that comply with the list of Eligible Assets and Projects below are deemed eligible for Sustainability Bond funding. To provide clarity and transparency, a short description of the relevant context is included for each category of Eligible Assets and Projects.

Funds can be used for the financing of projects, as well as for refinancing of investments made within the past three years preceding the issue date of a specific Sustainability Bond. Sustainability Bonds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction, gambling or tobacco.

Eligible Assets and Projects with Environmental Benefits

Millicom has defined Energy Efficiency as an eligible green investment category in accordance with the Green Bond Principles. These investments are aimed at increasing the efficiency and reducing the consumption of energy throughout Millicom’s operations by around 20% or more to mitigate the company’s environmental impact. Many of these form part of Millicom’s global efficiencies program HEAT, launched in 2016.

Eligible Projects	Description of projects	SDG mapping
Data centers	<p>Investments and related expenditures in new data centers and upgrades to existing data centers to facilitate greater data exchange and storage thereby reducing energy consumption and GHG emissions.</p> <p>This can encompass, for instance, upgrading the cooling solutions or having a more efficient design of the data center facilitating free-cooling.</p>	
Network modernization	<p>Investments and related expenditures to reduce network energy consumption by replacing old infrastructure with more efficient configurations and systems (e.g. Single RAN¹), and the introduction of 4G LTE as a more efficient technology that utilizes less resources per unit of data traffic when compared to 2G and 3G and delivers an improved customer experience.</p>	
General and operational efficiency	<p>Investments aimed at reducing energy consumption and environmental impact per mobile node² through the replacement of legacy technology (e.g. LED lighting, controlled A/C) and improved monitoring process to be able to measure consumption more accurately to implement optimization actions.</p> <p>Additionally, investments in the continued reconfiguration and optimization of the network layout based on spectrum acquisitions to be able to provide services more efficiently and utilizing less resources and infrastructure.</p>	

¹ Single RAN is a technology that supports multiple telecommunication standards on a single network that allows telecommunications operators to operate and maintain a single network and set of equipment, thus increasing efficiency compared to legacy technologies.

² Hardware that is connected to the mobile network capable of communicating directly and wirelessly with mobile handsets.


Eligible Assets and Projects with Social Benefits

Millicom has defined the following eligible social programs in accordance with the Social Bond Principles.

1. Increased Access to Information and Communication Technology
2. Flagship social programs facilitating socioeconomic advancement and empowerment

1. Increased Access to Information and Communication Technology





Access to information and communication technology is a vital part of creating economic empowerment and increasing social welfare, especially in developing countries. Investments in this category include capital expenditure supporting the expansion of network coverage to improve existing voice and data services as well as offering broadband internet services to populations where internet penetration and real-time access to information is considered low or unstable.

Eligible Projects	Description of projects	Target population	Social objectives	SDG mapping	SBPs aligned categories
Mobile network rollout	Investments to provide access to mobile voice and data services directed to expand coverage.	Unconnected population including persons in the countries where Millicom operates that do not have mobile or fixed network coverage or have network coverage but services are limited or unaffordable to them.	Ensuring that sufficient technologies are in place to foster the adoption of internet-based applications to facilitate access to real-time data and information for the mass public.		Affordable basic infrastructure Access to essential services
Fixed network rollout and upgrade	Investments in fixed network to increase broadband penetration.	Underserved population including persons who have access to mobile and fixed networks of inferior technology ³ .	Further enable the use of on-line based services to improve social mobility (such as online banking and education).		
Spectrum acquisition and license renewal	As Millicom’s coverage increases and Millicom continues to migrate to newer technologies (e.g. 4G), the company needs to acquire spectrum in different bands to support services.		Millicom’s investments in spectrum add to the company’s objective of improving mobile connectivity and expanding coverage to more people.		

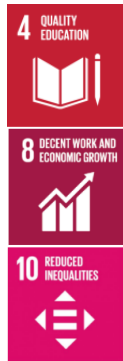
³ Inferior technology: 2G/3G for mobile networks and copper for fixed networks. Millicom intends to migrate to 4G and Hybrid Fiber Coaxial (HFC) in its network to improve connectivity and enable access to a broader range of digital tools.


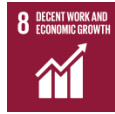
2. Flagship social programs facilitating socioeconomic advancement and empowerment

Socioeconomic advancement and empowerment requires investments not only in the underlying networks but also in the social initiatives that foster use of the digital highways. Such initiatives cover a broad range of areas that are focused on raising awareness and capabilities to increase connectivity. Through these flagship social programs, specific target groups and social metrics are identified to ensure a positive impact. In the event that Millicom creates new initiatives that support the contribution to the eligible projects below, these projects may be funded by Sustainability Bonds as long as they follow the Process Evaluation and Selection defined in this Sustainability Bond Framework.

Eligible Projects	Description of projects	Target population	Social objectives	SDG mapping	SBPs aligned categories
Empowering Women	<p>Connected women Training program specifically for women in the uses and advantages of ICT.</p> <p>Women in our value chain The program seeks to train and empower 1750 women micro-entrepreneurs per year to conduct their business, through Tigo Money⁴, a digital tool which advances the digitalization of SMEs. This program is expected to increase the income of participating women by \$350 annually.</p>	Women in areas where Millicom operates and who have micro or small businesses and seek to maximize their capabilities, efficiencies and income through the digitalization of their business.	<p>Reducing the gender gap in the usages of mobile phones, internet and mobile money, with the goal of bringing women into the digital economy.</p> <p>Training of women designed to enhance their self-esteem, business skills and digital literacy. By increasing women’s pathways into the labour market, their productivity and income through digital tools, women will improve their socio-economic conditions, and stimulate a positive ripple effect in their families, communities and local economies.</p>	   	<p>Access to Essential Services</p> <p>Socioeconomic Advancement and Empowerment</p> <p>Employment Generation</p>

⁴ Tigo Money is a tool which promotes financial inclusion and the digitization of payments for utility services and money transfers.

Eligible Projects	Description of projects	Target population	Social objectives	SDG mapping	SBPs aligned categories
<p>Connecting communities</p>	<p>Community Development Associations Training and education for representatives of the Community Development Associations (CDAs) program on Tigo Money.</p> <p>CDAs process international remittances on their mobile devices and payments for services such as water, electricity and telecommunications. These communities are not currently part of the traditional banking system.</p>	<p>Community Development Associations in areas where Millicom operates.</p> <p>Millicom works with around 2,500 CDAs serving about 500,000 mobile financial services users to facilitate their entry into the Digital Economy and commerce.</p>	<p>This program will allow CDAs to optimize their collection and money transfer processes and, will also, empower non-banking communities to adopt mobile financial services for the payment of bills, receipt of international remittances and money transfers.</p> <p>In each community, this program will also reduce the transportation expenses to multiple collection and remittance venues and risks of managing cash.</p>		<p>Access to Essential Services</p> <p>Socioeconomic Advancement and Empowerment</p>
	<p>Mobile Financial Services Promoters Certification The project aims to develop a sustainable and comprehensive business model for Tigo Money agents. They will be trained and certified as Mobile Financial Services Promoters, and at the same time, will grow their businesses.</p> <p>Tigo in your Community The project equips community centers with computer equipment and teachers to educate 5,000 students, parents and teachers per year on digital literacy and tools, computer and programming skills, robotics and child online protection, and foster community-building and interaction. Priority is given to public schools which do not have computers or digital tools and rural areas with little or no network infrastructure.</p>	<p>Micro-entrepreneurs in the area where Millicom operates and where there are unconnected or underserved populations.</p>	<p>Introducing SMEs into the Digital Economy promotes their competitiveness and increases their opportunities to grow and succeed, accessing new markets and expanding their customer base.</p> <p>Connecting unconnected communities, build digital literacy, strengthen communities, and improve education. Access to tele-communications and digital tools also improves safety and national security.</p>		

Eligible Projects	Description of projects	Target population	Social objectives	SDG mapping	SBPs aligned categories
Protecting Children	<p>Crianza Digital The purpose of the project, is to help create a safe and positive online environment for children, teaching children, adolescents, families, teachers and caregivers about the dangers and opportunities related to the internet and digital technology and providing training to teachers on Child Issues/Rights. The trainings are given by qualified company volunteers.</p> <p>Adopt a school The program seeks to strengthen the quality of education for children and adolescents by providing digital learning centers, trainings on the use of information technology to students and teachers and improving school infrastructure.</p>	Public school children, adolescents and adult caretakers including parents and teachers in areas where Millicom operates and where there is little or no education available on information technology.	Children who do not have access to the internet are at a disadvantage to those that do. Access is just the first step but helping them understand how to use the tool for their development and education in a safe manner is key to help them thrive in this new digital world.		Socioeconomic Advancement and Empowerment
Sustainability in Millicom's Supply Chain	<p>Supplier Training Program The purpose of the program is to integrate sustainable practices in Millicom's key suppliers' practices and operations by training them on topics such as Health & Safety, Anti Bribery and Anti-Corruption (ABAC), Fair Labour Practices, Child Rights and Eco-Efficiency. Suppliers are required to develop Corrective Action Plans which are monitored by the company.</p>	Millicom suppliers that score the lowest in the company's sustainable procurement platform will be engaged in the Suppliers Training Program.	Training key suppliers elevates their performance in corporate responsibility areas, creates positive ripple effects on fair labour practices, ethics, health & safety and environmental stewardship, and increases suppliers overall standing in the market.		Socioeconomic Advancement and Empowerment

Process for Project Evaluation and Selection

Millicom has set up an internal Sustainability Bond Committee, consisting of representatives from the Treasury Department, the Corporate Responsibility Department, the Commercial Department, the Technical Department and a local representative from the respective wholly-owned subsidiaries. The Sustainability Bond Committee will be responsible for evaluating and selecting assets and projects eligible for Sustainability Bond funding in accordance with this Sustainability Bond Framework. The Sustainability Bond Committee will ensure that investments are in line with internal corporate responsibility. The Corporate Responsibility department has a veto in the decision-making process. The decisions made by the Sustainability Bond Committee will be documented and filed.

Management of Proceeds

The net proceeds from issued Sustainability Bonds will be earmarked for financing and refinancing of assets and projects that meet the criteria set out in this Sustainability Bond Framework.

If an asset or project financed by Sustainability Bonds no longer qualifies as eligible according to this Sustainability Bond Framework, the asset or project will be replaced by other assets or projects that meet the criteria. The Sustainability Bond Committee of Millicom will ensure that the amount of eligible assets and projects at all times exceeds the total amount of Sustainability Bonds outstanding.

Net proceeds from Sustainability Bonds awaiting allocation to eligible assets and projects will be deposited in specific bank accounts and managed and invested according to the overall liquidity management policy of Millicom, which at all times has an objective of securing assets and not compromising liquidity on speculative investments.

Reporting and Transparency

To enable investors and other stakeholders to follow the development of Millicom's Sustainability Bond issuance and of the assets and projects being funded by the company's Sustainability Bonds, an investor letter will be made available on the company's website. The investor letter will include an allocation report and an impact report and be published annually as long as there are Sustainability Bonds outstanding. The issuer will seek to align its reporting with the guidance in the documents on 'Harmonized Framework for Impact Reporting'.

Allocation report

The allocation report will include the following elements:

- i. A list of eligible assets and projects financed by Sustainability Bonds. If there is a large number of assets and projects, this reporting may be done on a portfolio basis based on the investment categories described under Use of Proceeds.
- ii. Examples of assets or projects that have been financed by Sustainability Bonds.
- iii. Amounts invested in each investment category described under Use of Proceeds and the amount of new financing versus refinancing.
- iv. The amount of outstanding Sustainability Bonds.
- v. The amount of Sustainability Bond net proceeds awaiting allocation to eligible assets and projects.

Impact report

Millicom strives to report on the social and environmental impact of the investments financed by Sustainability Bonds. Different impact indicators will be relevant for different investments, and the below table shows example indicators for the different investment categories defined in this Sustainability Bond Framework. For ongoing investments in assets and projects, where final impact is not yet observable, Millicom will aim to provide an estimate of the final impact. The relevant metrics may be updated over time as standards emerge.

Eligible Assets and Projects with Environmental Benefits

Category	Impact indicators
Energy Efficiency	
Data centers	<ul style="list-style-type: none"> • Annual energy savings (kWh) • Annual reduction in energy consumption (%)
Network modernization	<ul style="list-style-type: none"> • Energy consumption / Mobile Points of Presence (kWh/POP) • Energy consumption / unit of data traffic (kWh/GB)
General and operational efficiency	<ul style="list-style-type: none"> • Number of sites decommissioned driven by spectrum acquisitions / reconfigurations (No. of sites) • Energy consumption avoidance driven by spectrum acquisitions (kWh)

Eligible Assets and Projects with Social Benefits

Category	Impact indicators
Increased Access to Information and Communication Technology	
Mobile network rollout	<ul style="list-style-type: none"> • Number of mobile data users and 4G net additions • Number of homes passed and homes connected
Fixed network rollout and upgrade	
Spectrum acquisition and license renewal	

Category	Impact indicators
Flagship social programs facilitating socioeconomic advancement and empowerment	
Flagship Social Programs	<ul style="list-style-type: none"> • Number of people using Millicom’s mobile financial services • Number/volume of transactions • Number of women trained in the use of smartphones • Number of women trained in basic online skills and safety • Number of women added as Tigo Services Sales Women • Number of parents/teachers/caretakers trained in responsible and productive use of the internet • Number of children trained in responsible and productive use of the internet • Number of women certified as Mobile Financial Services Promoters • Number of SMEs included and participating in online transaction platform • Number of suppliers trained in Corporate Responsibility Trainings

External Review

Millicom has received a second party opinion from Sustainalytics confirming the transparency of this Sustainability Bond Framework and its alignment with the Social Bond Principles and the Green Bond Principles. The second party opinion will be made available on the company’s website together with this Sustainability Bond Framework.