Millicom International Cellular S.A. - Climate Change 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing high-speed broadband and innovation around The Digital Lifestyle services through its principal brand, TIGO. As of December 31st, 2019, Millicom operating subsidiaries and joint ventures employed more than 22,000 people and provided mobile services to over 52 million customers, with a cable footprint of more than 11 million homes passed. Founded in 1992, Millicom International Cellular SA is headquartered in Luxembourg.

Working in emerging markets influences our approach to business growth. However, achieving this requires a multi-pronged approach with all stakeholders, including policy-makers, regulators, multilateral organizations, and NGOs. In these developing economies and societies, the integration of our business strategy and corporate responsibility efforts is required to create shared value and promote sustainable development for all our stakeholders. To ensure all efforts are unified and point toward our ultimate purpose, our External Affairs team oversees regulatory affairs, government relations, corporate responsibility, and corporate communications. This structure provides a holistic approach to risk management, stakeholder engagement, and communications, and enhances integrated analysis and strategic decision making.

The opportunities for our business to grow depend on stable and well-functioning governance systems in the countries where we operate, a growing customer base that can afford our products and services, a committed and talented workforce, and our ability to demonstrate environmental and social responsibility. Our commitment and approach to corporate responsibility empower, protect and enhance the capabilities of our customers, our staff, and our suppliers, and create sustainable value. In essence, doing business the right way, “future-proofs” our business and provides opportunities for growth.

With fresh and thorough input from our extensive stakeholder engagement process, we updated our Corporate Responsibility (CR) framework to show the strong connection between our core business purpose, the essential elements of our CR work and our commitments to protect children online, empower women, and connect communities. One of the core elements of our framework is the Corporate Responsibility Fundamentals, which groups the areas that are a prerequisite for the health of our business and the societies in which we operate. To position ourselves in a fast-paced and competitive digital world, we must handle our everyday interactions with high integrity and ethics and zero tolerance for any form of corruption. We must also carefully consider our actions in the physical world and continue to do business with suppliers that have strong environmental and human rights standards and practices; build more environmentally friendly, efficient and resilient digital highways; become and remain the employer of choice; and build an organization where people feel empowered and encouraged to be the best version of themselves. Initiatives in these areas help us use the resources we depend on wisely and responsibly and, through our influence across the value chain, create a positive ripple effect throughout our markets.

More information at Annual Report 2019 https://www.millicom.com/2019annualreport/

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	October 1 2018	September 30 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Bolivia (Plurinational State of)
Colombia
Costa Rica
El Salvador
Guatemala
Honduras
Panama
Paraguay
United Republic of Tanzania

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	Millicom considers climate-related issues in the formulation of its strategy and operational plan to execute on that strategy. The ultimate responsibility for approval of the strategy and acceptance of strategic and operational risks of the organisation rests with the Board of Directors, and at its helm the Chairman of the Board. Formulation of the strategy and execution of the operational plan are the responsibility of the CEO, supported by the other members of the C-Suite. Individual risks identified by the organisation are owned by individually specified risk owners. Those risk owners consider the impact of climate related issues on those risks.
Other C-Suite Officer	The highest level of direct responsibility for climate issues within the executive management team is the EVP Technical and IT Officer (CTIO). The CTIO leads Millicom's Network Operations, Technology and Procurement departments, and has executive accountability to the Board of Directors and the CEO. Together with the Chief External Affairs Officer (CEAO), the CTIO reports to the Board on a quarterly basis and more frequently as warranted. The CTIO is responsible for the two key closely climate-related risks and opportunities for our company: Network Resiliency and Technology Transformation Projects, and also ensures the integration of environmental and climate criteria in capex projects and ongoing network operations. The CTIO works in close collaboration with the External Affairs function's Corporate Responsibility and Regulatory teams which advise the CTIO on emerging regulations, performance standards, reporting trends and best practices on climate risk management.
Other C-Suite Officer	The Chief External Affairs Officer (CEAO) is responsible for risks and opportunities related to climate issues as a key element for the successful delivery of the Corporate Responsibility strategy. This includes supporting the CTIO in driving and facilitating alignment and collaboration of the areas and multidisciplinary teams in charge of setting and meeting environmental footprint reduction targets, energy consumption reduction and green energy strategy and e-waste processes through environmental reporting, reputation management, business continuity management and monitoring the political and regulatory environment.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	<Not Applicable>	The Board of Directors deals with relevant strategic, operational and financial risks of the organisation during its regular schedule of eight meetings per year, with additional meetings convened as and when necessary. The Board reviews key strategic, financial and operational matters of the business. This includes consideration of risks, threats, challenges and opportunities including, if applicable, those with climate-related consequences. Risk appetite and key risks are formally reviewed and approved annually. The timing, scope and depth of review of risks and issues is tailored to the likelihood of occurrence and potential impact on the business. For example, the Board approves major capital expenditure projects, key decisions related to business direction, including the geographical footprint of the organisation, and oversees external reporting to investors and the market including on major events and matters related to corporate responsibility.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Technical and IT Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Chief External Affairs Officer, CEAO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (VP Corporate Responsibility)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Business unit manager	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Annually
Other committee, please specify (Environmental Leadership Group)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

A multi-disciplinary team is required to address the complex nature of the direct, indirect operational and product life cycle emissions related climate change. The areas mentioned fulfill different roles: The Corporate Responsibility (CR) team works with Operational and Integrated Services teams (which encompass Environmental and Business Continuity responsibilities) to identify and align approaches to tracking energy and fuel consumption. In turn, operational teams and Integrated Services are in charge of creating and implementing the strategies and investments, which optimize energy consumption while ensuring service continuity and coverage. They also ensure that reliable, standardized data is produced and recorded for improved energy management and tracking. The CR team is also in charge of measuring and reporting the emissions produced by the business, liaising with all the areas that oversee emission-generating activities.

Our Chief Technical and IT Officer (CTIO) has executive level ownership for networks and technology within the Group, which account for around 75% of our energy consumption (from fuel and electricity); and supply chain management. He is accountable to the Board and our CEO for the successful management of risks related with Network Resiliency and Technology Transformation Projects, and also ensures the integration of environmental and climate criteria in capex projects and ongoing network operations.

Our Chief External Affairs Officer (CEAO) is accountable to the Board and our CEO for the successful delivery of our CR strategy, which includes environmental footprint reduction and climate risk management goals and initiatives. The CEAO supports the CTIO in driving and facilitating alignment and collaboration of the areas and multidisciplinary teams in charge of setting and meeting environmental footprint reduction targets, energy consumption reduction and green energy strategy and e-waste processes through environmental reporting, reputation management, business continuity management and monitoring the political and regulatory environment.

Our Executive Team receives monthly or bi-monthly updates on the status of environmental initiatives, with specific executives being engaged as required depending on the nature of the project/issue at hand (namely an awareness campaign or office initiative aimed at embedding environmental stewardship into the organizational culture and performed with Human Resources, or determination of customer solutions with environmental benefits, reviewed with the commercial teams).

Country business unit managers are responsible for monitoring and controlling Opex and delivering targets at country level. This includes energy efficiency efforts, which are always a priority. Regional managers (whom country business unit managers indirectly report to) have Opex savings indirectly part of their monetary reward and incentive targets.

Our global business continuity managers lead on development and implementation of crisis management plans.

As part of our efforts of strengthening the tone at the top and to ensure optimal top management, integration to corporate culture and values as well as business function collaboration, in 2019 our CEO convened a group called the Environmental Leadership Steering Group, with the purpose of:

· Supporting the Company's on-going commitment to environmental stewardship as a core element of its corporate responsibility strategy with an emphasis on issues relating to our environmental impacts, including energy consumption, greenhouse gas emissions, recycling and waste.

· Provide direction and advice and assign appropriate teams and resources to implement decisions taken.

· Inform the development of a consistent, group-wide environmental management strategy and roadmap to support our operations in reducing their environmental impact.

· Support the development and implementation of a Comprehensive Climate Risk Strategy.

The Group's responsibility is oversight in nature and the primary responsibility and ultimate decision-making with respect to the Company's underlying programs and policies

remains with the subject matter experts currently responsible for such matters.

The Group is integrated by the following members:

Chief Executive Officer

EVP Chief Technology and Information Officer

EVP Chief External Affairs Officer

EVP Chief Human Resources Officer

VP Corporate Responsibility

Global Security and Crisis Management Officer

Sustainability Reporting Specialist

Investor Relations Manager

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	See C1.3a for further details on our current approach

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Other C-Suite Officer	Monetary reward	Energy reduction project Efficiency project Supply chain engagement Company performance against a climate-related sustainability index	Our Chief Technical and IT Officer (CTIO) has executive level ownership for networks and technology within the Group, which account for around 75% of our energy consumption (from fuel and electricity); and supply chain management. He is accountable to the Board and our CEO for the successful management of risks related with Network Resiliency and Technology Transformation Projects, and also ensures the integration of environmental and climate criteria in capex projects and ongoing network operations.
Other C-Suite Officer	Monetary reward	Company performance against a climate-related sustainability index	Our Chief External Affairs Officer (CEAO) is accountable to the Board and our CEO for the successful delivery of our CR strategy, which includes environmental footprint reduction and climate risk management goals and initiatives. The CEAO supports the CTIO in driving and facilitating alignment and collaboration of the areas and multidisciplinary teams in charge of setting and meeting environmental footprint reduction targets, energy consumption reduction and green energy strategy and e-waste processes through environmental reporting, reputation management, business continuity management and monitoring the political and regulatory environment. Delivery of the business area objectives against our business strategy is directly linked to senior executive remuneration. 'Increase stakeholder and profile management' is another one of the success metrics for senior executive compensation for Chief External Affairs Officer (CEAO). Performance is measured by our ability to access and engage with the government around relevant sector legislation and operational factors. Other measures include speed and effectiveness of reputational risk management as portrayed through media, share price movement and stakeholder perception.
Other, please specify (VPs Corporate Responsibility, Procurement)	Monetary reward	Company performance against a climate-related sustainability index	The Corporate Responsibility (CR) team works with Operational and Integrated Services teams (which encompass Environmental and Business Continuity responsibilities) to identify and align approaches to tracking energy and fuel consumption. In turn, operational teams and Integrated Services are in charge of creating and implementing the strategies and investments which optimize energy consumption while ensuring service continuity and coverage. They also ensure that reliable, standardized data is produced and recorded for improved energy management and tracking. The CR team is also in charge of measuring and reporting the emissions produced by the business, liaising with all the areas that oversee emission-generating activities. VP of Corporate Responsibility, VP of Procurement and Supply Chain, are remunerated based on the delivery of the departmental objectives.
Business unit manager	Monetary reward	Efficiency project	Country business unit managers are responsible for monitoring and controlling Opex and delivering targets at country level. This includes energy efficiency efforts, which are always a priority. Regional managers (whom country business unit managers indirectly report to) have Opex savings indirectly part of their monetary reward and incentive targets. In general terms, employees entitled to monetary rewards are all employees with direct oversight and performance goals related with energy efficiency, such as Corporate Responsibility, Operations, Integrated Services, Procurement and others, in the form of the part of the annual bonus related with employee performance. Eligibility for the annual bonus has two components: overall company performance and individual performance. Those positions with goals related to environmental performance, thus, receive part of their bonus subject to meeting such goals.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Timeframes considered from a risk perspective.
Medium-term	1	3	Timeframes considered from a risk perspective.
Long-term	3	7	Timeframes considered from a risk perspective.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our definition of 'substantive financial impact' is when a risk can impact pre-determined levels of Service Revenue, EBITDA, OCF, EFCF or Equity Value. In monetary terms, this means:

Service Revenue: > $320m

EBITDA: > $280m

OCF: > $170m

EFCF > $88m

Equity Value: > $4.90/share

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The overall objective of Millicom's risk management process is to reduce uncertainty and in so doing, make better informed decisions in allocation of capital and resources, which will increase the chance of success in formulating and executing on the right strategy. Our ERM process comprises six steps: 1. Identification - Determination of the relevant risks and uncertainties faced by the organisation - Personal ownership and responsibility for each risk within the organisation - Determination of metrics relevant in measuring each risk (KRIs, KPIs, KAIs) 2. Measurement - Determining the level of each risk (current and target level) - Measurement using a 5 point probability and impact scale - Consideration of Financial, Operational, Compliance, Reputational and People elements to each risk 3. Risk Appetite - Establishing maximum level of risk and tolerance for risk (risk capacity) - Developing risk appetite / operating statements 4. Treatment - Identification and articulation of key actions to move from current to target risk level - Personal ownership and responsibility for each action item 5. Monitoring - Periodic review and reassessment of risk levels - Periodic review of effectiveness and reassessment of priority actions 6. Reporting - Reporting to those charged with governance / oversight of key risks - External reporting (e.g. financial statements, regulators) Extreme weather situations are becoming more common with climate change. Some of the countries where we operate are in areas already prone to extreme weather, drought or floods. These all may affect our ability to provide our services which, in turn, are crucial to the ability to respond to disasters. Millicom has a network of risk officer at corporate, regional and each significant operating country level, led by the Chief Risk Officer (our CFO). The risk function identifies, analyses, monitors and coordinates Millicom's approach to balancing risk with return and reports to the Executive Team. The Audit Committee, on behalf of the Board, is responsible for reviewing the effectiveness of risk activities, reporting to the Board. Energy costs, power outages, and increased regulations and costs related to disposing of e-waste can affect our business continuity and growth and therefore are monitored and analyzed on a regular basis. Apart from our goal of being responsible stewards of the environment, we know that by reducing waste and operating less carbon-intensive networks, we are optimizing our business and serving our customers with improved connectivity and services. We approach risk management consistently across the entire business, identifying and managing risks strategically at the Board and Senior Management levels, and through in-depth processes at a transactional level by key business unit leaders and staff in our operating countries. We embed risk management processes in our operations both geographically (by country) and functionally (by business area), developing and implementing action plans that seek to balance risks with returns, within pre-determined risk appetite levels. Networks and Infrastructure Resilience: Disruptions to service, or compromised ability to restore services to customers in acceptable time frames, can cause loss of revenue, increase expenses, and have a negative impact on customer experience. Our network resilience controls and mitigating activities include network redundancy, as well as business continuity management plans which are tested on a regular basis. According to Millicom´s Risk Measurement criteria, likelihood is measured in terms of probability of occurrence where Low is <20%, Moderate is 20%-50%, and High is >50%. Impact is measured based on Financial,

Reputational, Compliance, Operational and People impact. In 2019, in addition to the key risks related with Network Resiliency, Technology Transformation Projects and Political & regulatory environment, we explicitly incorporated the broader Climate Related Risk category in the company-wide ERM. This is defined as "Changes or expected changes in climate threaten, restrict or otherwise negatively impact Millicom's business activities, including people, equipment, customers or communities in which it operates. Penalties, fines or reputational damage from failing to comply with climate related global compacts / accords."

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Corporate Responsibility (CR) team is in charge of evaluating our Risk Register and ensuring that key risks with climate relevance are mapped and flagged as such. The CR team is currently working with Corporate Governance and Risk Management team to revise the existing nomenclature and classification of risks to ensure climate-related risk mapping continues evolving as our climate strategy does. Currently, the key risks related to climate are as follows: - Networks and infrastructure resilience - Technology transformation projects - Political & regulatory environment The CR team maps the Risk Register to climate-related risks and opportunities through practices that include the following: Externally: • Joining GSMA's Climate Taskforce to collaborate on industry-specific approaches to tackle climate change • Desktop research and engagement with ICT associations (GSMA, GeSi), think tanks (BSR, Ceres), multilateral organizations (WEF, World Bank) NGOs and others on climate-related topics • Attending climate sessions at sustainability conferences, such as BSR and SustainAbility • CR is also part of BSR's Future of Reporting (FoR), a multi-company working group which, albeit not climate-specific, has a marked emphasis on sustainability risk management and its disclosure to stakeholders through initiatives such as CDP, TCFD and SDGs, also including exercises and conversations in scenario planning. In the framework of FoR, thus, the topic of climate change has been broadly addressed and therefore this group is a valuable sounding board for cross-sector initiatives, key trends and common challenges. • Engagement with key shareholders on their corporate governance standards, proxy voting guidelines and expectations on climate risk management and reporting. • Continuous responses to and monitoring of ESG questionnaires such as MSCI, Sustainalytics, ISS and investor-proprietary ones to ensure we are able to address shareholder concerns appropriately. • In 2018, we conducted a comprehensive materiality assessment with BSR, as part of our bi-yearly cadence to assess in a structured way the significant areas of concerns for our key stakeholders and how they are prioritized in terms of importance to stakeholders and impact to the business. We are currently conducting the 2020 assessment, with specific focus on the shifts and impacts due to the COVID-19 pandemic. In 2018, for the first time we observed the division of the climate issue into mitigation and adaptation, with mitigation regarded as lower in stakeholder and business impact, and adaptation, located in the high/high quadrant. While our climate strategy continues to encompass both, this reaffirmed the key risks identified in terms of building resilient networks, provide service stability and can withstand changes in the physical, market and policy environments. Internally: • The CR team supports and guides the generation of the data required to report energy consumption and carbon footprint, therefore interacting with teams in charge of operations, fleet management, finance and administration (energy billing). • Through constant interaction and proactive engagement of internal stakeholders, the CR team maps business initiatives with potential climate risks and opportunities, flagging them with the teams in charge In order to quantify climate change related risks and opportunities, the CR team reaches out to relevant internal stakeholders and reviews the following: • Assessing the nature and severity of the impact (i.e. increased probability of extreme weather events that can affect our business continuity). • Assessing how it would affect our costs, for example, in the above case, where and how much our insurance premiums may increase. • Managing the validation of data which relate to our metrics and targets for the purpose of continuous performance improvement and which meets criteria for energy efficiency certifications and awards.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Legal compliance is a Policy for all operations, and the bare minimum expected. We include the legal requirements in all activities as a part of the way in which we conduct business. Our markets are not characterized by strong climate regulation and therefore our driver stems more from risk awareness and stakeholder expectations than from regulatory requirements, in particular, but not exclusively, electricity/ energy consumption regulation.
Emerging regulation	Relevant, always included	Our Regulatory Affairs team is constantly monitoring emerging laws with potential effect on our business. This includes legislation with climate change implications. Given the Paris Accord's NDC deadline in 2020, we expect an increase in the likelihood of emerging regulations for climate change such as carbon pricing mechanisms and will be monitoring these at group and country levels to remain a proactive player in our region.
Technology	Relevant, always included	Millicom is investing in state-of-the-art technology throughout the region, building infrastructure to connect more people in the communities we serve. To that end and given the intrinsic social value and benefit of the services we provide, network and infrastructure resiliency are always included as key criteria in the analysis of our investments in energy efficiency. Mitigation actions include ongoing vulnerability assessments for existing and future infrastructure and periodic review of the Business Continuity (BCM) Plans. Energy efficiency is not only for emissions reduction but for cost optimization which is also a salient factor. Recently, DatacenterDynamics has recognized Millicom's Paraguay datacenter with CEEDA Program as an Energy Efficient datacenter and certified Level Silver. This is Millicom's first Energy Efficient recognition with CEEDA and it has four other data centers in the process of being recognized with this title.
Legal	Relevant, always included	As part of our risk mapping, litigation on any range of issues are always included. That said, to this date we have not had any climate related litigations in any of our operations.
Market	Relevant, always included	Market factors such as changes in energy prices and/or shortages are subject to ongoing monitoring and analysis. Our practices related to energy efficiency and renewables, where applicable, are not only aimed at ensuring opex reduction and business continuity, but at reducing cost volatility related to the above.
Reputation	Relevant, always included	Reputation is one of our core assets and as such we guard it closely. Climate change, as one of the megatrends affecting the world today, is part of the issues under constant monitoring. In the event of natural disasters, much like we are experiencing with the global pandemic - COVID-19, service continuity can have life or death implications, hence along with connectivity and accessibility they become essential. Reputation is a by-product of our ability to respond accordingly. Mitigation actions are also increasingly expected by our stakeholders, most saliently investors, and we are working towards refining and deepening our climate change strategy and targets.
Acute physical	Relevant, always included	Extreme weather situations are becoming more common with climate change. Some of the countries where we operate are in areas already prone to extreme weather, drought or floods. These all may affect our ability to provide our services which, in turn, are crucial to the ability to respond to disasters.
Chronic physical	Relevant, always included	In terms of chronic effects of climate change, this will impact our business in different forms. Most saliently, increased frequency of extreme weather events will require upgraded infrastructure. Higher global temperatures and rainfall are being contemplated in the design of new facilities and retrofitting of existing ones. For example, all new datacenters are constructed on elevated structures to prevent damage and disruption caused by flooding. Currently, we do not consider sea level rise as a material climate risk impact as we do not have any critical sites or installations in any of our operations that are near the sea in areas susceptible to sea level rise.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Rising global average temperatures due to climate change could generate an increased operating cost for Millicom since it impacts directly the company's network equipment. Increased temperatures can also result in increased energy prices due to lower efficiency in generation (non-renewables) and damage in transmission infrastructure. Rising mean temperatures could also mean an increase expending for the company as a result of a growing need of cooling. Cell sites and data centers can be particularly affected by this but also office buildings and shops, and the increased need for cooling can also increase CO2 emissions. Without proper refrigeration, the company's equipment can be more at risk to failure and breakdown.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We operate in countries already affected by increasing temperatures. We have an average of 4 datacenters per country. For the next two years, we expect a rise of 30% of the demand on the power for the datacenters while having a reduced footprint. The intention of Millicom is to achieve a higher PUE in the new datacenters building built and consolidate the datacenters from 4 to 2 in each operation. Closing the other sites will typically allow the company to save on the OPEX of running multiple sites while at the same time improve the energy efficiency to a PUE of 1.6 on average compared to the PUE of 2.2 in the older sites. The new design of the Data Centres will also enable the company to support high density computing with a typical 12 KW density per rack and hence satisfy the new requirements for new servers.

Cost of response to risk
68000000

Description of response and explanation of cost calculation
The new datacenters being constructed follow a new hybrid construction approach which allows for a fully integrated design to be built and tested in a factory environment before moving it to the site. This guarantees that the equipment work optically together and also uses the lowest footprint possible. All new Sites uses Cold Isle Containment system and a full N+1 approach to the Power and Cooling Design using only high efficiency UPS, Rectifiers and Cooling systems. The complete site is controlled by an advanced datacenters Infrastructure monitoring system of Schneider Electric. These sites follows the TIA 942 handbook in site selection (sites are built at least 12 KM apart and have different threat profiles as they are based in different areas) , connected by redundant fiber and also runs as primary/disaster Recovery configurations. During 2019, we: »Completed five new datacenters as of » Closed two older facilities in Honduras and one in Colombia, with plans to close four more in Latam in 2020 » Incorporated three Tier III-certified datacenters in Panama that were part of the Cable Onda acquisition completed in early 2019 » Earned a CEEDA Level Silver Energy Efficiency certification from Datacenter Dynamics for our new Paraguay datacenter and began the certification process for four others The new datacenters are 40% more efficient than traditional sites due to the use of higher-efficiency equipment and the implementation of real-time energy management software, which is running at our datacenters in Paraguay and Bolivia, and will soon be rolled out in Colombia, Guatemala, Panama and Honduras. 68 million USD have been invested to implement the above measures in Latin America.

Comment
All Site selections are made following a survey and the datacenters are built by specialized manufacturers. The monitoring software provides real time input on the DC and makes sure early warning is provided for potential issues in power, cooling and sensors malfunction.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Extreme weather events will be more intense and frequent due to climate change. For Millicom´s infrastructure this could mean a higher risk of damage, resulting eventually in breakdowns of the local cell sites and other telecommunication infrastructure such as fixed line networks. Extreme weather event can also generate service disruption as a consequence of power outages that could result in loss of income.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We are working on refining our preliminary financial impact estimations with the Risk Management, Technical and Business Continuity teams. We planned to internally develop the methodology and calculation for the 2020 submission but, due to the pandemic, the related wokstreams and timeframes were modified.

Cost of response to risk
2300000

Description of response and explanation of cost calculation
Millicom's Business Continuity strategy & roadmap ensure that all critical systems and applications have the right technology disaster recovery (DR) plans. Over 80% of the platforms have existing DR plans. Based on an extensive exercise in progress, we plan to deliver the actual and forecasted recovery time objectives of all our critical

services by 2020. This continuity strategy is governed by a clear set of Millicom Network Continuity Guidelines which are being followed by all operations. Millicom will be putting in place business function recovery plans for these services in case of a worst-case scenario with support from specialized business continuity firm. Each operation performs a tabletop testing of their DR plans this year and there is a clear responsibility assignment for Disaster Preparedness and response for the Factory team. The company performs periodic physical assessments and reviews of adequacy of insurance coverage from an independent insurance broker. The amount paid for Property Damage and Business Interruption insurance is currently 2.3 M USD per year. Of this, approximately 60% is due to natural catastrophes. In 2019 the premium level increased by 4% compared to 2018 due to several factors, including our increased exposure to natural catastrophe in Latin America. Millicom moved from an average 45% compliance to the Insurance Risk Guidelines in 2015 to 75% compliance level following massive investment in Datacentre Space to reduce vulnerabilities.

Comment
The company is working for a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers to be approved and announced by Q2, 2022.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver
Please select

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Millicom´s biggest source of GHG emissions is its electricity consumption (Scope 2). Millicom´s consumption of purchased or acquired electricity amounts to 527,553 MHw. In this context, regional, national and subnational carbon pricing initiatives are growing globally. According to the World Bank Group report “State and Trends of Carbon Pricing 2018”, the growing momentum for carbon pricing and the increasing prevalence of the topic in climate change discussions and the increased cooperation across stakeholders can accelerate implementation of Emissions Trading Systems (ETS) and carbon taxes. “Further rises in carbon prices and coverage are needed to stimulate emission reductions in line with the Paris Agreement”, states the World Bank. Millicom´s operating countries in Latin America and Africa are among the countries where a carbon pricing initiative can be implemented. According to World Bank, currently there are 51 carbon pricing initiatives implemented or scheduled for implementation. Among our markets, Colombia is already included in this list, along with three other main Latin American economies, in different stages of the decision-making process, pointing to a regional trend.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
6492000

Potential financial impact figure – maximum (currency)
16230000

Explanation of financial impact figure
Given the Paris Accord’s NDC deadline in 2020, we expect an increase in the likelihood of emerging regulations for climate change. It is likely that carbon pricing initiatives will become more widespread in the long run, given the vast consensus on their potential to effectively disincentivize carbon-intensive practices. According to World Bank, “emissions covered by carbon pricing have increased almost fourfold over the past decade.“ Carbon price ranges vary greatly but, using the ranges identified by the High-Level Commission on Carbon Prices to be effective to curb the increase in carbon emissions (US$40–80/tCO2e in 2020 and US$50–100/tCO2e by 2030) and considering our 2019 level of carbon emissions, impact could range from 6.5MUSD to 16.2MUSD annually.

Cost of response to risk
37000

Description of response and explanation of cost calculation
Our 5Year CR Plan lays out the company’s goals and benchmarks for 2019-23. Energy costs, power outages, and increased regulations and costs related to carbon pricing and disposing of eWaste can affect our business continuity and growth. We know that by reducing waste and operating less carbon-intensive networks, we are optimizing our business and serving our customers with improved connectivity and services. Energy efficiency measures enable us to achieve stable operational expenses while our network expands. The benefits of securing network growth while managing the proportional increase of energy consumption and its related costs enable us to provide our customers with affordable service and improved coverage and maintain a competitive advantage in our markets. By setting up the first Tier III certified state-of-the-art datacenter in Bolivia and with the acquisition of Cable Onda in Panama, we continued the progress we have made in recent years in Paraguay, Colombia, and Africa to modernize our datacenters. The goals for this program include the optimization of use of datacenter resources and up to 40% of increase on the energy efficiency for datacenters. In 2019, we plan to add new cutting-edge datacenters in Nicaragua, Honduras & El Salvador to fulfill the goal of having at least one highly energy efficient datacenter in each of the countries we serve. We estimate cost of management as a proportion of the Government Affairs’ overhead that is currently low, 2%.

Comment
Millicom has been working to enhance data quality and standardization of calculation and reporting of baselines and set public targets to reduce carbon footprint and achieve costs savings. The company identified and published its 2018 energy consumption, Scope 1 and Scope 2 baselines in its 2019 Annual Report, being on track to set public reduction targets for fossil fuel consumption and energy consumption by 2021 and committing to setting science-based targets by 2022.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
According to the "SMARTer2030: ICT Solutions for 21st Century Challenges" report from the Global e-Sustainability Initiative (GESI), "ICT has the potential to enable a 20 percent reduction of global CO2eq emissions by 2030, hold emissions at 2015 levels and effectively decouple economic growth from emissions growth". As customers, business and the public sector move forward in their emission reduction initiatives, Millicom is committed to develop new products, services, and business models that can contribute to a low-carbon economy and this means an important opportunity to be pursue since will bring increased revenues.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
100000000

Potential financial impact figure – maximum (currency)
150000000

Explanation of financial impact figure
We estimate the financial impact to be between 100 and 150 MM USD in the long run, combining revenue and cost savings.

Cost to realize opportunity
80000000

Strategy to realize opportunity and explanation of cost calculation
Millicom, through its principal brand Tigo, is building an important footprint in Latin America. In emerging markets, high-speed cable/broadband and mobile communications services promote social good by enabling digital inclusion and innovation and generate socio-economic growth. Tigo's mobile subscriber base in Latin America is more than 30 Millicom. Access to broadband has the potential to increase GDP in these countries by up to 3.9%. Through the COVID-19 crisis, the need to transition to distance services and communication channels accelerated. Although there has been a general trend towards home office and remote working over the last few years, the crisis accelerated this need and Millicom was prepared to step in with services and contact channels to meet these needs. Millicom has been developing cloud & B2B networking services as a business opportunity over the last years, as home office and remote working gain popularity. We provide services that facilitate these set-ups, including virtual desktops, cloud services, mobility & productivity services, along with increasing capacity, bandwidth, and network reliability to allow people to work from anywhere. To make this possible, Millicom has invested over $80M in physical infrastructure, capacity and increased coverage. Millicom has also invested in its digital channels, now offering customers the following transactions digitally through both assisted (chat, whatsapp, email) and non-assisted (web portal, app, bot) channels: sales, service, bill payment, account management. In the comments section below, we detail some of our already existing services that we seek to build upon to provide our customers with solutions to reduce their carbon footprint.

Comment
1. Reduce number of truck rolls by replacing unnecessary in-person visits for online service and videoconference/telephone via Tech See (which allows agents to take control of customers' cell phone cameras and do trouble-shooting visually together with the customer). Tech See has helped us avoid ~1500 truck rolls per month regionally, with an effectiveness of 67%. This reduction in truck rolls with Tech See results in a net savings of ~$US 550,000 annually and 53 metric tons of CO2 emissions avoided. 2. Teleworking / telecommuting to reduce commute-related emissions (cars, buses, trains, airplanes). If we can help 5% of our B2B corporate customers avoid commuting by using our Cloud collaborative services and/or Video Conference tools, it would be a reduction of $25,000 of annual social cost and 1,500lbs of CO2. Covid-19 has accelerated the transition to teleworking, and since March 2020 approximately 80% of our customers currently operate with a mix of virtual/presential. We do not know how that mix will look in the future once quarantines have lifted, but we anticipate much of the virtual working to continue. 3. Cloud Office services, digital signatures & digital bill and payment options to reduce paper consumption. Cloud office services for B2B customers could help reduce paper use, ink and printer cartridge consumption and office space footprint. Digital bills are being developed in all of our operations. Monthly, Tigo has the potential to avoid 3 million mobile and 2 million fixed services bills. In 2019, Tigo customers paid 7.2M bills online, which is ~600,000 monthly. 4. Online sales and service transactions are reducing physical visits to stores, banks and kiosks. In 2019, we saw 200,000 less transactions in traditional channels and for 2020, we anticipate another 300,000 less. This could be calculated as avoiding ~1M miles

travelled by customers in 2019, or 285 metric tons of CO2 emissions avoided.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Please select

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Primary potential financial impact
Reduced direct costs

Company-specific description
Our approach to e-waste includes reverse logistics as a central element of our work, as it helps us recover equipment that can be repaired and reused in the network. Because of the nature of our business, the growth of our markets and the pace of technological changes, we handle great quantities of such equipment and therefore regard e-waste as an ongoing opportunity. As it continues to grow in all of our markets, so does the importance and complexity of reverse logistics processes to properly track our Customer Premises Equipment (CPEs), which are important assets for the company, and quickly recover them when necessary as we upgrade our service. In 2019, with the program rolled out in all our Latam operations, we retrieved 2M CPE, with the environmental benefits: ● 1,751 tons of CO2 emissions avoided ● 1,084.8 tons of plastic waste diverted from landfill ● 1.1 million m3 of water avoided

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
62000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
With its scope expanded to all our Latam operations in 2019, the project allowed us to save USD 62M of capital expenditure, thanks to the recovery of the CPE that can be reinjected to the circuit.

Cost to realize opportunity
16300000

Strategy to realize opportunity and explanation of cost calculation
We have achieved significant improvements in two key aspects: Home recollection (making sure we recover equipment no longer in use by a customer); and laboratory recovery rates (repairing and refurbishing equipment as needed for redeployment to the network, thus reducing the need to buy new equipment). We have a public target of recovering at least 78% of CPE by 2023. In 2019 we achieved 69% CPE E2E recovery across the region, with Costa Rica, Bolivia and Colombia already above the 77% recovery line. The equipment that, due to obsolescence or deterioration, cannot be reintroduced to the network is processed by our approved e-waste vendors. This is the final step of a layered approach that effectively enables waste minimization and recovery of whole pieces of equipment and/or valuable materials that can then be recycled. We have been consistently increasing the amounts of recycled e-waste as a result of effectively rolling out the program in all operations, in an effort to extend product lifecycle and associated emissions due to transportation, manufacturing and waste management. Cost to realize opportunity is 16300000 per year in investment for an expert partner/ third party to execute the program in the detailed countries.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Please select

Opportunity type
Markets

Primary climate-related opportunity driver
Other, please specify (Funding for projects with climate and other environmental/ social benefits)

Primary potential financial impact
Increased access to capital

Company-specific description
Better sustainability management has long been a proxy for overall corporate risk management, therefore representing an advantage not only in terms of innovation, reputation and market share but also through access to capital as responsible companies are regarded as more attractive and secure investment options. In that context, Millicom International Cellular S.A. (“Millicom”) rated Ba1 (Stable) by Moody’s and BB+ (Stable) by Fitch, announced in April 2019 its inaugural Sustainability Bond Framework. The framework includes both environmental and social investments such as in energy efficiencies and the expansion of its fixed and mobile networks. Through these investments, Millicom seeks to strengthen its positive impact on society and its customer focus by reducing its climate footprint and increasing internet connectivity. This Sustainability Bond Framework (https://www.millicom.com/media/3729/millicom-sustainability-bond-framework-march-18-final-final-clean-version.pdf) 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. Millicom's Sustainability Bonds will finance projects with social and environmental benefits which include programs to upgrade data centers, increase energy efficiency, decrease emissions and energy consumption, and increase broadband penetration and spectrum acquisition for unconnected and underserved communities. Millicom has set up an internal Sustainability Bond Committee, consisting of representatives from the Treasury, External Affairs, Corporate Responsibility, and Technical departments. The Sustainability Bond Committee is responsible for evaluating and selecting assets and projects eligible for Sustainability Bond funding in accordance with this Sustainability Bond Framework. The Sustainability Bond Committee ensures that investments are in line with corporate responsibility targets and goals. The Corporate Responsibility department has a veto in the decision-making process. The decisions made by the Sustainability Bond Committee are documented and shared with investors on an annual basis. Our first progress report can be found here: https://www.millicom.com/media/3959/millicom-sustainability-bond-2019-investor-progress-report-1.pdf

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
211000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Millicom announced that it has published the listing prospectus for its SEK 2 billion (around USD 200 million with current exchange rates) senior unsecured sustainability bond due 2024 issued on May 15, 2019, under its inaugural Sustainability Bond Framework, and has applied to list the bond on the Nasdaq Stockholm sustainable bond list. Full framework: https://www.millicom.com/media/3729/millicom-sustainability-bond-framework-march-18-final-final-clean-version.pdf Prospectus: https://www.millicom.com/media/3745/millicom-sek-bond-listing-prospectus-10-june-2019.pdf Second party opinion report: https://www.millicom.com/media/3721/millicom-sustainability-bond-spo-07032019.pdf

Cost to realize opportunity
56000

Strategy to realize opportunity and explanation of cost calculation
After months of joint work of the Corporate Responsibility, technical and financial teams, in April, 2019 Millicom announced its inaugural Sustainability Bond Framework. The framework includes both environmental and social investments such as in energy efficiencies and the expansion of its fixed and mobile networks. Through these investments, Millicom seeks to strengthen its positive impact on society and its customer focus by reducing its climate footprint and increasing internet connectivity. The eligible activities listed under the framework build on Millicom's Corporate Responsibility Framework. To confirm that the framework is aligned with the 2018 version of the ICMA Sustainability Bond Guidelines, Millicom obtained a second party opinion from Sustainalytics. DNB Markets and Nordea Markets have acted as structurers of the framework. Millicom has received a second party opinion from Sustainalytics confirming the impact and transparency of this Sustainability Bond Framework and its alignment with the Social Bond Principles and the Green Bond Principles. The second party opinion is available on the company's website together with this Sustainability Bond Framework, all available within the following link: https://www.millicom.com/our-responsibility/. Cost to realize opportunity USD 56K, was calculated as the aggregated overhead of Millicom employees most engaged in the project, estimating an allocation of 20% man-hours for a duration of 5 months.

Comment
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. 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.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?
No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

Climate-related scenario analysis encompass multiple variables and location-specific conditions to address. We are making good progress in the systems and data available for better decision-making. That said, because of the integration process underway as a result of acquisitions in Panama and Nicaragua, efforts and focus are mainly devoted to that stream of work. As integration advances and becomes more established, the systems, internal teams and data required for meaningful scenario analysis will become available and lead to a more valuable and relevant outcome.

Among our Environment targets, we are working to have a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers approved and announced by 2022 and we will have executed environmental impact assessments with consolidated action plans for regional execution by 2021. Furthermore, in 2019 we joined the GSMA Climate Taskforce "Mobile creating a #BetterFuture: Climate Action", though which we joined forces with industry peers by "developing a decarbonisation pathway aligned with the science-based target initiative (SBTi) and in line with the Paris Agreement target of achieving net-zero emissions by 2050." These commitments entail scenario analysis and we are working towards developing such capabilities in line with them.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	According to the recent GSMA report "The Enablement Effect", "The use of mobile technology enabled a global reduction in Greenhouse Gas (GHG) emissions of around 2,135 million tonnes CO2e in 2018, (...). The emissions savings were almost ten times greater than the global carbon footprint of the mobile industry itself." Awareness of this potential, paired with an increasing expected demand of such services, drives innovation. We understand that this is where the highest potential for climate benefit lies for our industry, and we are tapping into it by working jointly with our operational and commercial teams to boost the inherent advantages digital alternatives have (for example, through telepresence, online solutions, IoT, etc.) by embedding and measuring deliberate climate criteria at every stage of product/ service development. We are working across the company to meet our public commitment of having a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers approved and announced by Q2, 2022.
Supply chain and/or value chain	Yes	Our ability to reduce emissions upstream and downstream of our direct operations goes hand in hand with our suppliers' technology, practices and related carbon footprint. Our current largest addressed opportunity is through our reverse logistics program, to retrieve Customer Premise Equipment devices and reintroduce in the circuit. This results in avoided capex as well as avoided emissions, water consumption and waste, as detailed on C3.1c. There is additional potential through the introduction of sustainable procurement criteria, which individual operations like that of Colombia already have and we are looking into expanding. Furthermore, our Supplier Corporate Responsibility Program which, since 2017, has trained 346 suppliers throughout our operations in Latam addresses eco-efficiency and carbon footprint as part of the curriculum and continues to expand its reach and build on the acquired capabilities through ongoing support using Ecovadis as an improvement tool. As part of GSMA's #BetterFuture Climate taskforce, we aim at setting science-based targets by 2022. This entails working across our supply chain to better understand how to monitor and reduce our scope 3 emissions, therefore synergizing and accelerating the above efforts will be instrumental.
Investment in R&D	Evaluation in progress	Our business purpose is to "Build digital highways that connect people, improve lives and develop communities" is intrinsically connected with the common goal of reducing global emissions. Beyond reducing our own operations' emissions, our industry has the potential to help customers reduce theirs through digital technologies. We already have a broad portfolio of products acknowledged by GSMA and peers to help reduce our emissions. We are already working with our technical and commercial teams to deepen our understanding of the extent to which we are already helping our customers reduce their carbon footprint (for example, though DAAS and IAAS solutions or IoT products such as fleet management) and what our potential is to broaden and accelerate the realization of such potential in the near future. Furthermore, we run constant pilots in our operations which, when successful, are expanded to the rest of the market and sometimes the region. Tigo Colombia launched the TigoLab initiative in 2019, an innovation contest designed to unleash the creativity and talent of our collaborators. Among the proposals submitted that passed the preliminary viability analysis, five had carbon footprint reduction benefits, namely: • Photovoltaic Power Station for datacenter in Bogotá • Combined Heat and Power (CHP) system for nodes in three regions of the country • BTS monitoring system to adjust energy supply in real time • Strategic research partnership with academia on the subjecy of energy storage As stated above, we have committed publicly to have a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers approved and announced by Q2, 2022. .
Operations	Yes	Energy efficiency is a key aspect of keeping opex low and therefore maintaining the affordability and competitiveness of our services. This has been the first area to engage in our climate efforts and we work in constant collaboration to understand the opportunities to create additional resiliency in our network, ensuring that our "digital highways" are built in such ways that they can withstand contingencies and keep our customers and communities connected, which is our main purpose.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Access to capital	Managing climate risk is a key aspect of fulfilling our purpose and as such it has become an intrinsic element of several aspects of our financial planning in terms of considering criteria such as energy efficiency and power supply. As detailed on sections 2.3 and 2.4, this has already been reflected in many forms, such as our inaugural Sustainability Bond, announced in 2019, and the first Green and Social Bond issued from Latin America. It supports initiatives geared toward reducing our climate footprint and promoting greater digital and financial inclusion for the unconnected and underserved as well as the thriving middle class and businesses in Latin America. To be eligible for funding through a Sustainability Bond, all projects must comply with either the Social Bond Principles or Green Bond Principles published by the International Capital Markets Association. In addition, a key consideration for capex approval is, wherever applicable, the financial and environmental benefits of more efficient and/or cleaner technologies, for example when investing in new or upgraded datacenters and utilizing onsite solar energy in remote base stations. Furthermore, our operational and Facilities teams work continuously to plan and innovate for efficient energy and fuel consumption, through the implementation of free cooling technologies, Variable Speed Drives (VSDs), efficient engines and thorough smart building retrofits like the one in our El Salvador offices, one of the first LEED Platinum certified buildings in the country with 1,238 solar panels installed that will generate 606,000 Kwh per year, avoiding 413 tons of CO2 emissions every year.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Since 2018 we have started to use the CDP report and TCFD recommendations not just as disclosure but as management tools, enabling broader engagement within the company. This was in line with the increase in relevance that climate considerations and TCFD in particular have gained in recent years. The use of TCFD recommendations has been instrumental to refine and/or create the existing organizational structures and systems to integrate climate considerations across business functions such as Operations, Procurement and Regulatory. Furthermore, the Investor Relations and Corporate Responsibility teams collaborate extensively throughout the year to understand and address increasing shareholder expectations in terms of disclosure and performance.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	Collaboration is currently underway with the teams involved in capex planning and operations to set fossil fuel consumption and energy consumption reduction targets by 2021, as per our public commitment. In order to do this, we are using the foregoing baselines, energy demand maps and carbon footprint per country to identify the greatest areas of opportunity, which are technologically feasible to maximize both energy efficiency and carbon footprint reduction.	Efforts have been made to further standardize and streamline our energy consumption metrics, to have a closer control across business functions and identify possible synergies. As a result, we were able to identify energy consumption and emission baselines for 2018 in compliance with the commitments that we made in our 2018 Annual Report. Per our public commitments, we are working to establish fossil fuel consumption and energy consumption reduction targets by 2021 and science-based emissions reduction targets by 2022.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	
To be implemented*	9	164.16
Implementation commenced*	8	158.47
Implemented*	6	698.7
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
11.4

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
7200

Investment required (unit currency – as specified in C0.4)
536000

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
Power and Cooling Upgrades in secondary sites Castellana and San Bernardo, Colombia.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
8.72

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
56400

Investment required (unit currency – as specified in C0.4)
135000

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment
Implementation of the Hot Isle/Cold Isle containment in all primary and secondary Colombia Data Centres.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Santa Ana Facility Improvement by changing of UPS and Rectifiers.)

Estimated annual CO2e savings (metric tonnes CO2e)
21.15

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
12800

Investment required (unit currency – as specified in C0.4)
175000

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Other, please specify	Other, please specify (Higher efficiency generators)

Estimated annual CO2e savings (metric tonnes CO2e)
3.23

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1200

Investment required (unit currency – as specified in C0.4)
300000

Payback period
11-15 years

Estimated lifetime of the initiative
11-15 years

Comment
El Salvador- Facility Improvement by placing a more energy efficient pair of Generators

---

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
402.48

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
131400

Investment required (unit currency – as specified in C0.4)
14200000

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
Frajanes Data Centre expansion with new Generation of Power and Cooling equipment (Guatemala)

Initiative category & Initiative type

Other, please specify	Other, please specify (Higher efficiency generators)

Estimated annual CO2e savings (metric tonnes CO2e)
6.73

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2500

Investment required (unit currency – as specified in C0.4)
780000

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Generators at the Frajanes Facility (Guatemala)

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (New high efficiency datacenter)

Estimated annual CO2e savings (metric tonnes CO2e)
200.66

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
58500

Investment required (unit currency – as specified in C0.4)
9400000

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
New Honduras Datacenter

Initiative category & Initiative type

Other, please specify	Other, please specify (Decommissioning of legacy rooms due to Platform Relocation to more efficient Datacenter)

Estimated annual CO2e savings (metric tonnes CO2e)
44.6

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
13086

Investment required (unit currency – as specified in C0.4)
13000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
Decommissioning of legacy rooms in Cuatro Mojones, Paraguay, due to Platform Relocation to more efficient Data Centre.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Each operation estimates the necessary budget to comply with local regulations.
Dedicated budget for energy efficiency	Each country operation prepares a business case on Capex investment needed, anticipated monetary and energy savings, and payback time), and ROI is reviewed at global level for implementation. Prioritization is done based on payback time and anticipated savings but, beyond energy efficiency and emissions reduction considerations, a significant part of the analysis is aimed at simultaneously increasing capacity and improving resiliency.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Millicom has been developing cloud & B2B networking services as a business opportunity over the last years, as home office and remote working gain popularity. We provide services that facilitate these set-ups, including virtual desktops, cloud services, mobility & productivity services, along with increasing capacity, bandwidth, and network reliability to allow people to work from anywhere. To make this possible, Millicom has invested over $80M in physical infrastructure, capacity and increased coverage. Millicom has also invested in its digital channels, now offering customers the following transactions digitally through both assisted (chat, whatsapp, email) and non-assisted (web portal, app, bot) channels: sales, service, bill payment, account management. Our existing services that provide our customers with solutions to reduce their carbon footprint include: 1. Reduce number of truck rolls by replacing unnecessary in-person visits for online service and videoconference/telephone via Tech See (which allows agents to take control of customers' cell phone cameras and do trouble-shooting visually together with the customer). Tech See has helped us avoid ~1500 truck rolls per month regionally, with an effectiveness of 67%. 2. Teleworking / telecommuting to reduce commute-related emissions (cars, buses, trains, airplanes). 3. Cloud Office services, digital signatures & digital bill and payment options to reduce paper consumption. Cloud office services for B2B customers could help reduce paper use, ink and printer cartridge consumption and office space footprint. 4. Online sales and service transactions are reducing physical visits to stores, banks and kiosks.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year
1.2

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
For our estimation of the % revenue from products that allow our customers to reduce their carbon footprint we have considered B2B services within the categories of Infrastructure as a Service (IAAS), Platform As a Service (PAAS), IoT in fleet management and videoconferencing ~7% of B2B and ~1.2% of our total service revenue. We have not included under this percentage initiatives that reduce emissions but are not specific products paid for by customers such as digital customer service channels.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
October 1 2018

Base year end
September 30 2019

Base year emissions (metric tons CO2e)
20553

Comment
Emissions from fuel are calculated using World Resources Institute (2015) GHG Protocol tool for stationary combustion, version 4.1.

Scope 2 (location-based)

Base year start
October 1 2018

Base year end
September 30 2019

Base year emissions (metric tons CO2e)
137754

Comment
Emissions from electricity are calculated using Electricity Emission Factors from IEA, version 2016, except in the case of Paraguay, where other official sources were used.

Scope 2 (market-based)

Base year start
October 1 2017

Base year end
September 30 2018

Base year emissions (metric tons CO2e)
0

Comment
No market-based emissions, for Scope 2 we use location based data

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

20553

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Emissions from fuel are calculated using World Resources Institute (2015) GHG Protocol tool for stationary combustion, version 4.1.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

Emissions from electricity are calculated using Electricity Emission Factors from IEA, version 2016, except in the case of Paraguay, where other official sources were used.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

137754

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Emissions from electricity are calculated using Electricity Emission Factors from IEA, version 2016, except in the case of Paraguay, where other official sources were used.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3994

Emissions calculation methodology
We only consider air travel for Scope 3 emissions in 2019. As we standardize and build up our scope 3 calculation and reporting capabilities, we will expand the reporting boundary accordingly.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We calculated our air travel emissions based on data provided by our local travel agencies. The default emission factors utilized for air travel emissions are from the UK DEFRA.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We haven´t been able to evaluate capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e

Emissions calculation methodology
We are currently able to calculate fuel-and-energy-related activities related with air travel. As we standardize and build up our scope 3 calculation and reporting capabilities, we will expand the reporting boundary accordingly.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We calculated our air travel emissions based on data provided by our local travel agencies.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions in this source category were incorporated in the company´s emission in scope 1 and 2.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are working on improving data regarding emissions from our waste generated in operations, but we expect that this category will not be relevant in terms of total emissions. While we have examples of good practices throughout our operations, we are working on a regional governance process that will allow us to further replicate, scale and measure the results of these practices with common metrics.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3994

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We calculated our air travel emissions based on data provided by our local travel agencies.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Travels made by employees using the company's cars are incorporated in emissions of Scope 1, while trips with vehicles not on Millicom´s ownership are not relevant in regard of the total emissions.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The first category of this table (purchased goods and services) include the emissions of all the assets controlled by Millicom. Any lease space on infrastructure sharing where the company control the energy costs, is included in Scope 2 emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The emissions of this source category were incorporated in the source's categories 1 and 2 of this table.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Since Millicom in general does not produce any products that require any type of processing, this source category is not applicable, and we do not generate emissions.

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We haven´t been able to calculate use of sold products Scope 3 emissions.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
One of our main environmental targets is the implementation of a global e-waste process in all operations to manage e-waste through responsible vendors. In that regard we will manage and measure waste streams, and reuse and recycling of consumer devices. Avoided emissions due to e-waste recycling will be reported separately and we assume that the waste disposal and treatment of products won't be relevant in terms of total emissions.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Among the downstream leased assets we can count, for example, our corporate buildings and some leased space in our main data center. Therefore, these types of emissions were incorporated in the scope 1 and 2 data.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
According to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), emissions from franchises “are only classified as scope 3 if the selected consolidation approach (equity or control) does not apply to them”. Therefore, franchises should not be included in consolidation of GHG emissions data.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions from investments do not play an important role for Millicom.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.026

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
162301

Metric denominator
unit total revenue

Metric denominator: Unit total
6344800

Scope 2 figure used
Location-based

% change from previous year
13

Direction of change
Decreased

Reason for change
Tons of CO2e emissions per USD$1,000 revenue decreased from 0.03 in 2019 to 0.026 in 2019, largely due to a significant reduction of Scope 1 emissions that resulted from a combination of factors further detailed on section 7.9, namely: - Change in boundary: 87% of the decrease in our YoY emissions came from the Scope 1 reduction that largely resulted from the sale of our Chad operation. Chad represented close to 60% of our diesel consumption given its high reliance on that fuel, and its removal represents 89% of the reduction in fuel consumption. - Change in physical operating conditions: Our operations in Paraguay and Tanzania had lower usage of backup generators than in past years due to favorable climate conditions. This resulted in more stable power supply and thus in a reduced need for generators. and - Other emissions reduction activities: Our markets implemented -as they do on an ongoing basis- several initiatives to increase our electricity and fuel efficiency, such as free cooling, Variable Speed Drives and lighting retrofitting. This, combined with network optimization efforts and technology upgrades that have allowed us to decouple the growth of our network from the growth of our emissions, has resulted in improved efficiency.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Bolivia (Plurinational State of)	934.14
Colombia	724.95
Paraguay	2239.76
Costa Rica	773.51
El Salvador	1287.29
Honduras	3607.39
Guatemala	7142.63
United Republic of Tanzania	3711.79
Panama	131.12

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Fleet (gasoline)	3287.82
Fleet (diesel)	4844.45
Offices and Data Centers	784.43
Shops	192.18
Base stations (physical sites)	11146.16
Fixed services sites	297.54

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Bolivia (Plurinational State of)	22451.4			
Colombia	28958.06			
Costa Rica	602.67			
El Salvador	12570.75			
Honduras	24647.72			
Guatemala	33379.29			
Paraguay	0			
United Republic of Tanzania	13741.14			
Panama	1401.55			

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Offices (and datacenters?????)	19388.98	
Fixed Network Sites	32533.11	
Mobile Physical Sites	83239.79	
Shops	2571.7	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	NOTE APPLICABLE TO THE ENTIRE TABLE: Because we do not currently use this type of breakdown for emissions analysis all percentages are estimated. We did not have any significant additions to our renewable energy base (largely coming from grid electricity in all markets).
Other emissions reduction activities	2851	Decreased	2	Regarding Scope 2, our markets implemented -as they do on an ongoing basis- several initiatives to increase our electricity and fuel efficiency. This, combined with network optimization efforts and technology upgrades, has resulted in improved efficiency. To estimate the percentage of emissions value, we used the following formula: (Change in Scope 2 emissions/Previous Year Scope 1+2 emissions)x100
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	Please select	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	16459	Decreased	9	87% of the decrease in our YoY emissions came from the Scope 1 reduction that largely resulted from the sale of our Chad operation. Chad represented close to 60% of our diesel consumption given its high reliance on that fuel, and its removal from the boundary represents 89% of the reduction in fuel consumption. To estimate the percentage of emissions value, we used the following formula: (Change in Scope 1 emissions resulting from Chad operation's sale/Previous Year Scope 1+2 emissions)x100
Change in physical operating conditions	2034	Decreased	1	Our operations in Paraguay and Tanzania had lower usage of backup generators than in past years due to favorable climate conditions. This resulted in more stable power supply and thus in a reduced need for generators. To estimate the percentage of emissions value, we used the following formula: (Change in Scope 1 emissions resulting from Paraguay and Tanzania's reduced use of fuel for generators/Previous Year Scope 1+2 emissions)x100
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	77558	77558
Consumption of purchased or acquired electricity	<Not Applicable>	0	527552	527552
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	605110	605110

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
18069691.04

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.00267

Unit
metric tons CO2e per liter

Emissions factor source
GHG Protocol Emission Factors from Cross Sector Tools 2017. Data is based on IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

Comment
The company does not have self-generation for diesel. Millicom used the calculation tool available in GHG Protocol's website. The tool used was Emission Factors from Cross Sector Tools 2017, Stationary Combustion workbook, Table 1 CO2 Emission factors by Fuel. According to the GHG Protocol, the source for these data are the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
13160471.77

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.00227

Unit
metric tons CO2e per liter

Emissions factor source
GHG Protocol Emission Factors from Cross Sector Tools 2017.

Comment
The company does not have self-generation for motor gasoline. Millicom used the calculation tool available in GHG Protocol's website. The tool used was Emission Factors from Cross Sector Tools 2017, Stationary Combustion workbook, Table 1 CO2 Emission factors by Fuel. According to the GHG Protocol, the source for these data are the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Independent Assurance Letter.pdf

Page/ section reference
64-65

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Independent Assurance Letter.pdf

Page/ section reference
64-65

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

Supplier Training for Latam suppliers, run since 2019

% of suppliers by number
56

% total procurement spend (direct and indirect)
59

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Since 2018, the internal team responsible for supply chain management has been expanded to enhance the evaluation of our suppliers. With EcoVadis, we can target our suppliers' performance in key CR areas such as Environment Stewardship, Labor & Human rights, Ethics, and Sustainable Procurement, and customize practical means of evaluating the extent to which CR is embedded in suppliers' business, products, and services. Millicom's Supplier Code of Conduct, updated 2020, is a mandatory annex for all our supplier agreements, and outlines our requirement for our suppliers to operate responsibly, including protecting the environment. For engagement on GHG emissions and climate change strategies, we prioritize engagement with the suppliers providing us with energy management for our network is outsourced to tower companies (suppliers), both during contract negotiations around energy sources they use and provision, and actively negotiate solutions to improve service delivery through more efficient energy solutions. The company invites suppliers to participate in the Ecovadis self-assessment. Currently it is a requirement but not a deal breaker. Suppliers pay a nominal scaling fee according to their size, Millicom absorbs most of the cost. The self-assessment is a tool that allows suppliers to review their own sustainability practices and identify opportunities for improvement. Suppliers that participate in our supplier-training program, launched in 2017, use their Ecovadis assessment as a tool to tailor the training to their business and have support from trainers to determine the corrective action plans. To date, 346 Latam suppliers have received the CR training launched in 2017, first of its class for the industry. Our focus is on getting all our high-spend suppliers in risk categories to complete EcoVadis assessments, and to engage with low performers for improvement plans. We focus on re-inviting those suppliers who scored below 35/100 to re-assess their progress. The CR and Procurement teams work closely to further refine our practices in this area and identify potential synergies. Ecovadis assessments comprise categories such as whether a supplier is a Carbon disclosure project (CDP) respondent, reports on CO2 emissions and/or reports on Reporting on energy use or GHG emissions.

Impact of engagement, including measures of success
Absolute Ecovadis response rates for suppliers increased from 47 percent in 2017 to 62 percent in 2019, with 59% of our spend represented by suppliers that completed Ecovadis scores. Supplier performance in EcoVadis is measured by the development of Corrective Action Plans, which impact their overall scores. To achieve our high-level goals of sustainable procurement, in 2019 we trained 88% of our procurement staff in responsible supply chain management issues related to our core risks. We also aim at vetting all global strategic suppliers through our sustainable procurement platform, and; ensure that 100% global strategic suppliers obtain sustainability assessment scores of 45 or greater by 2023. In 2019 we have focused our efforts on working closely with our suppliers to continue improving current scores. By 2019, 56% of our global strategic suppliers had taken the Ecovadis assessment, with 46% of this key group having scores of 45 and above. Due to COVID-19, in 2020 we are unable to conduct our supplier training program in each operation. However, we conducted a Sustainability Platform Maturity Assessment to evaluate the strengths and gaps in our procurement platform.

Comment
We also constantly tailor the platform to our business priorities and use other tools, such as the Supplier Training program and Responsible Supply Chain Training Program for procurement staff, to drive further the pursuit of win-win, sustainable practices.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

A key partner group in the value chain with whom we have increased collaboration and alignment in terms of climate performance are our reverse logistics partners.

Through our reverse logistics and E-waste recycling program, we recover Customer Premises Equipment (CPE) as customers upgrade or discontinue our service. Our Five-Year Plan for CR Fundamentals set a target of recovering at least 78% of CPE by 2023 through the 3 "R"s:

» Reduce the need for new pieces of CPE and thereby avoid the cost and energy consumption associated with manufacturing new equipment.

» Reuse items recovered from customers due to service termination or upgrade.

» Recycle as much of our CPE as possible at the end of the useful life.

When these approaches are not feasible for the whole piece due to obsolescence or deterioration, we work with vetted waste management providers to appropriately dispose of any remaining materials.

Our reverse logistics partners, thus are instrumental in enabling us to not only avoid capex expenditure on new Consumer Premise Equipment (CPE) but also the generation of the related e-waste and associated emissions. While this practice has long established in several of our markets, in 2018 we initiated a regional standardization of e-waste management and supplier selection process that is reflected today in the program being implemented in all of our markets. Combining specialized partners' expertise and presence across the region with in-house practices, we have been able to optimize our bidding and inventory practices, improve our materials classification for optimal recovery of broader e-waste materials, with coordinated performance tracking by our supply chain team and local environmental managers.

In 2019 we retrieved 2.4 million CPE from our customers throughout the region.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Monitoring of all emerging regulation)	Support	Our approach has been to work though industry representative trade associations who are engaged in energy and climate change policy with a particular focus on our sector , who may engage on such issues with the policy makers.	Given the Paris Accord's NDC deadline in 2020, we expect an increase in the likelihood of emerging regulations for climate change. We are engaging in regulatory discussions on legislative solutions to foster the integration of climate policies with disaster risk management and land use and economic development planning.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

GSMA

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

In the joint GSMA and IDB report "Technology for climate action in Latin America and the Caribbean" (https://www.gsma.com/latinamerica/resources/technology-climate-action/), the trade association´s made the call for new regulations that hopefully incentivize renewable energy production and investment should be directed toward renewable energy projects. In that study, they advocate for the public sector to take a lead: "The ability of the ICT industry to source energy from renewable sources will depend largely on regulatory incentives, public investment, renewable energy infrastructure, and an integration of different energy sources. While it is crucial that the mobile ecosystem shows its commitment to support the shift to renewable energy sources, the public sector must take the lead".

How have you influenced, or are you attempting to influence their position?

Millicom was part of the companies consulted to incorporate the ICT sector position in the report "Technology for climate action in Latin America and the Caribbean" and to review the study in order to be consistent with the ICT sector vision in this topic. In general, Millicom participates in many of the GSMA´s public policy working groups and committees including the Regulatory Working Group and the Sustainability Task Force. Furthermore, in 2019 we joined the "Mobile creating a #BetterFuture: Climate Action" climate taskforce, collaborating by participating in regular taskforce meetings and contributing to the development of working drafts, including its recently issued climate policy (https://www.gsma.com/betterfuture/wp-content/uploads/2020/07/GSMA-Climate-Policy.pdf).

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Chief External Affairs Officer (CEAO), is responsible to ensure that all of Millicom´s advocacy activities are consistent with our climate change strategy. Since the CEAO leads Millicom's Government Relations, Regulatory Affairs, Corporate Responsibility and Corporate Communications departments, he/she makes sure all the departments have consistent climate initiatives. In this regard, is key the connection and consistency of the objectives of the Government Relations and Regulatory Affairs departments with the Corporate Responsibility department´s environmental footprint reduction targets, energy reduction and green energy strategy, e-waste processes and environmental reporting initiatives.

Our approach continues to be to work with trade associations in the countries where we operate who may engage on possible issues around energy policy or climate change with the policy makers. For example in Costa Rica, UCCAEP (Costa Rican Chamber of Private Businesses) have a designated committee to engage around energy and climate change issues with the congress members, but Tigo Costa Rica only participates in the Telecommunication Committee which may then escalate any issues to the respective committee. Another example is from Tigo Colombia, where in Colombia ANDESCO we are members of the *Cámara de Asuntos Ambientales* (Chamber of Environmental Affairs), which coordinates activities oriented to the exchange of experiences in the formulation and implementation of environmental management and policies in the ICT companies. In addition to being active members of trade associations in countries where we operate in, we take on a proactive approach to climate change through implementing energy efficiency and reduction initiatives, and crisis management and resilience planning, in line with international standards and best practice.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
2019-annual-report.pdf
2019AR_gri-index.pdf

Page/Section reference
25, 52, 60, 61

Content elements
Strategy
Emissions figures
Other metrics
Other, please specify (Case study on energy-efficient datacenters, and reverse logistics performance tables (energy and fuel consumption, scope 1, 2 and 3 emissions) and progress towards our relevant public commitments)

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors Customers	Non-public

Please confirm below
I have read and accept the applicable Terms