



Sustainability Bond: 2020 Progress and Impact Report

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

March 2021

Letter from CEO

I am pleased to present our 2020 Sustainability Bond Progress and Impact Report. During 2020, our purpose of building digital highways that connect people, improve lives, and develop communities was more relevant than ever by providing essential connectivity services to enable digital proximity whilst in lockdown. But it was more than that: it provided us a sound compass to navigate the uncertainty and come out more resilient and committed. When in 2019 we issued our first Sustainability Bond (the first of its kind in Latin America), we sought to directly impact people and communities in Latin America. Our Sustainability Bond proceeds were used to finance initiatives which were conceived for the long-term and helped us be better prepared with the right technology and community approach to respond to something as unforeseen as a global pandemic, with abruptly shifting needs and digital connectivity turned into a lifeline during lockdowns and mobility restrictions. It also equipped us to adapt and learn from the crisis and reinforced our commitment to continue our improvement journey.

Our Sustainability Bond continues to support projects that offer broad social and environmental benefits that are aligned with eight Sustainable Development Goals (SDGs). These projects, geared towards reducing our climate footprint and providing greater digital and financial inclusion for the unconnected and underserved communities in our markets as well as for its thriving middle class and businesses continue to help generate positive outcomes, as detailed in this report.

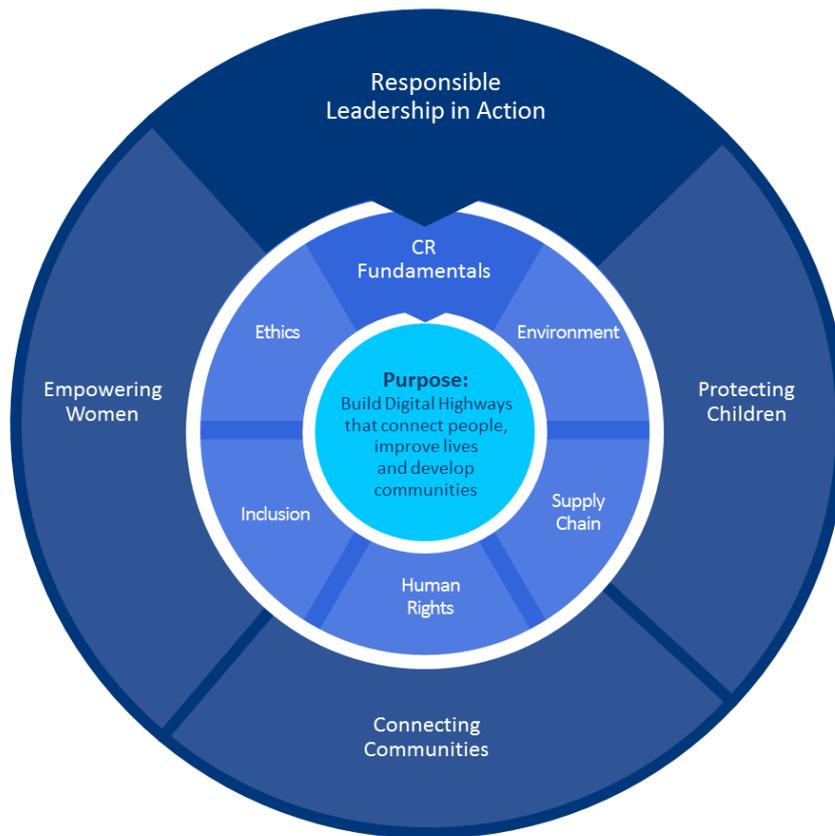
I would like to thank the investors who have trusted us with their capital, which we have deployed to help develop our communities in Latin America as we fulfill our purpose.

Mauricio Ramos
Chief Executive Officer

Sustainability at Millicom

Millicom is a leading provider of mobile and cable communication services dedicated to emerging markets. The company provides high-speed broadband, mobile communications, innovative services with the company’s trademark The Digital Lifestyle™ to nearly 55 million customers primarily in Latin America under the Tigo brand.

Our Corporate Responsibility Framework is centered around our business purpose and is focused on operating responsibly while driving the digital transformation of the communities in our markets.



Our purpose is inextricably linked to our Corporate Responsibility Fundamentals and the programs where we strive to demonstrate our Responsible Leadership in Action. Our Corporate Responsibility Fundamentals – environmental stewardship, supply chain risk management, human rights, inclusion and ethics – are underpinned by policies, practices and targets¹ that guide us on how to conduct business in the right way. Our Responsible Leadership in Action programs – connecting communities, empowering women and protecting children – embrace our commitment to connect people, improve lives and develop communities. For more information on our Corporate Responsibility performance and approach during 2020, please refer to our [2020 Annual Report](#).

¹ Our progress against our CR 5-Year Plan and related targets is reported annually in our 2020 [Annual Integrated Report](#).

Sustainability Bond Framework

Millicom recognizes the catalyzing role it can play in the markets where it operates by introducing state of the art, efficient technology and reaching a greater number of digital users. This contributes to improving energy efficiency, reducing carbon emissions, and foster socio-economic advancement and empowerment for people at risk of digital exclusion in emerging markets.

To this end, on April 30, 2019, Millicom published a [Sustainability Framework](#). Sustainalytics, a leading independent ESG ratings, research and analytics firm certified by the Climate Bonds Standards Board issued a [Second Party Opinion](#) confirming that Millicom's Sustainability Framework is credible and impactful and aligns with the four core components of the 2018 Green Bond Principles and Social Bond Principles published by the International Capital Markets Association.

Upon the issuance of the Sustainability Bond, Millicom established an internal Sustainability Bond Committee, formed out of cross-functional representatives who are responsible for evaluating and selecting eligible projects and administering the use of proceeds. The committee included: EVP Chief Technology and Information Officer, EVP Chief External Affairs Officer, VP Strategy and Investor Relations, VP Corporate Finance, and Global Director Corporate Responsibility.

Use of Proceeds

On June 7, 2019, the Sustainable Bond Committee approved the allocation of 2 billion SEK (approximately \$214 million)² to finance and refinance Social and Environmental projects identified under the Sustainability Framework.

The approved funds were allocated within one month from the issuance of the Sustainability Bond in the following categories of projects in El Salvador, Paraguay and Bolivia. Further details of each of these projects are set out in the following pages:

1. Projects with Environmental Benefits: Energy Efficiency
 - Datacenter: \$7.3 million
2. Projects with Social Benefits: Increased Access to Information and Communications Technology
 - Fixed network rollout and upgrade: \$97.0 million
 - Mobile and network rollout: \$63.1 million
 - Spectrum acquisition and renewal: \$38.5 million
3. Projects with Social Benefits: Flagship Social Projects Facilitating Socio-economic Advancement and Empowerment \$8.6 million
 - Empowering Women

² Exchange rate 31 Dec 2019 (1 USD = 9.32543 SEK).

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- Connecting Communities
 - Protecting Children
 - Sustainability in Millicom's Supply Chain

1. Projects with Environmental Benefits: Energy Efficiency

These investments are aimed at increasing the efficiency and reducing the consumption of energy throughout Millicom’s operations by around 20% or more to mitigate the company’s environmental impact.

Project	Description of projects	SDG	Metric	Impact
Data centers	Investments and related expenditures in new data centers and upgrades to existing data centers to facilitate greater data exchange and storage and employing state of the art and high efficiency technology to reduce energy consumption and GHG emissions.		Power Usage Effectiveness (PUE), Energy Consumption Reduction and Energy efficiency	Developed an UPTIME Tier III certified facility in Bolivia, designed to operate at PUE 1.6 and with an estimated power reduction of 40% when compared to our previously existing traditional Datacentre in Santa Cruz.
Network modernization and General and Operational Efficiency	Investments and related expenditures to reduce network energy consumption by replacing old infrastructure with more efficient configurations and systems and the introduction of 4G LTE as a more efficient technology that utilizes less resources per unit of data traffic when compared to 2G and 3G and delivers an improved customer experience. Investments aimed at reducing energy consumption and environmental impact per mobile node through the replacement of legacy technology and improved monitoring process to be able to measure consumption more accurately to implement optimization actions. Additionally, investments in the continued reconfiguration and optimization of the network layout based on spectrum acquisitions to be able to provide services more efficiently and utilizing less resources and infrastructure.			Modernizing networks, which increase overall network capacity and performance, reduces the number of required points of presence and our environmental footprint. We have deployed 4,917 4G points of presence which we estimate have two times greater spectral efficiency than 3G.

2. Projects with Social Benefits: Increased Access to Information and Communications Technology

Investments in this category included capital expenditure supporting the expansion of network coverage to improve existing voice and data services as well as offering broadband internet services to populations where internet penetration and real-time access to information is considered low or unstable.

Projects	Description of projects	Social objectives	SDG	Metric	Impact
Mobile network rollout	Investments to provide access to mobile voice and data services directed to expand coverage to broader populations in Bolivia, El Salvador, and Paraguay.	Unconnected or underserved populations through expansion and upgrading mobile and fixed networks that can support new technologies such as 4G. Optimizing spectrum bands expand coverage and ensure a higher quality of service.	 	Data users and 4G net adds	Deployed 4,917 4G points of presence enabling the connection of 2.3 million 4G data users since 2017 ³ .
Fixed network rollout and upgrade	Investments in fixed network to increase broadband penetration.	Millicom’s investments in spectrum add to the company’s objective of improving mobile connectivity and expanding coverage to more people.	  	Homes passed, Customer relationships ⁴	Within our fixed network coverage increase, we enabled connectivity to approximately 845,000 homes (also called homes passed) and connected 438,689 families since 2017.
Spectrum acquisition and license renewal	As Millicom’s coverage increases and Millicom continues to migrate to newer technologies (e.g. 4G), the company needs to acquire spectrum in different bands to support services in Paraguay.			Population coverage	During 2020, we increased 4G population coverage to 78%.

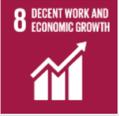
³ Figure includes net additions from 2017 in El Salvador, from 2018 in El Salvador and Paraguay, and from 2019 in Paraguay and Bolivia.

⁴ Formerly “homes connected”.

3. Projects with Social Benefits: Flagship Social Projects Facilitating Socio-economic Advancement and Empowerment:

Socioeconomic advancement and empowerment require investments not only in the underlying networks but also in the social initiatives that foster the use of the digital highways. Programs in this category cover a broad range of areas that are focused on raising awareness and capabilities to increase connectivity.

Empowering Women

Project	Description of Projects	SDGs	Metrics	Country	Impact
Empowering Women	<p>Connected women Training program specifically for women in the uses and advantages of ICT. Reducing the gender gap in the usage of mobile phones, internet, and mobile money, with the goal of bringing women into the digital economy.</p>	   	<p>Women trained in digital skills, digital financial inclusion through the Conectadas program</p>	Paraguay	<p>Despite the pandemic, in which in-person work with our beneficiaries was halted, during 2020 we rapidly adapted our programs for the online format, reaching 230 women with the trainings, which were focused on basic use of the internet.</p>
				El Salvador	<p>Continuing our efforts, we trained an additional 21,500 women during 2020 for a cumulative total of over 93,000 since 2017.</p>
				Bolivia	<p>We have trained 265,000 women since 2018, of which 77,800 women were reached in 2020, with most of the trainings completed before the national lockdown came into effect.</p>

Project	Description of Projects	SDGs	Metrics	Country	Impact
	<p>Women in our value chain The program seeks to train and empower women micro-entrepreneurs by enhancing their self-esteem, business skills and digital literacy. By increasing women’s pathways into the labour market, their productivity and income through digital tools, their socio-economic conditions will improve and stimulate a positive ripple effect in their families, communities, and local economies.</p>		<p>Provide training and support to 60 low-income women to sell Tigo’s products by using Tigo Money and promote mobile financial services to increase financial empowerment of women between 2019 and 2020</p>	<p>El Salvador</p>	<p>During 2020, 40 women of our value chain were part of a pilot program that trained them on entrepreneurship skills and the use of digital tools for their businesses. On average, participants increased their sales by 28% after the training. This program is being expanded for 2021 after its initial success.</p>
	<p>Mobile Financial Services Promoters Certification The project aims to develop a sustainable and comprehensive business model for Tigo Money agents, certified as Mobile Financial Services Promoters, and at the same time, will grow their businesses.</p>		<p>Build on “Women in Value Chain” above and establish the first business model that includes mobile financial services and women empowerment.</p>	<p>El Salvador</p>	<p>The “Women in Value Chain” program was integrated with the Tigo Money Agents detailed above.</p>

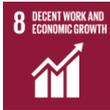
Protecting Children

Projects	Description of Projects	SDGs	Metrics	Country	Impact
Protecting Children	<p>Conectate Segur@ The purpose of the project is to help create a safe and positive online environment for children, teaching children, adolescents, families, teachers and caregivers about the dangers and opportunities related to the internet and digital technology and providing training to teachers on Child Issues/Rights. The trainings are given by qualified company volunteers.</p> <p>Children who do not have access to the internet are at a disadvantage to those that do. Access is just the first step but helping them understand how to use the tool for their development and education in a safe manner is key to help them thrive in the digital world.</p>		Schools and students reached through trainings	Paraguay	<p>Since 2019:</p> <ul style="list-style-type: none"> • 326 employees had 9 hours of training and are ambassadors of this program. • 300 employees delivered workshops with children or adolescents. • 1,500 students, 51 teachers, and 340 parents and caregivers participated in workshops. <p>Due to the pandemic, a new program was designed in response to the pressing need of teachers to transition to online environments. The program, named “Maestros Conectad@s” (Connected Teachers) provided teachers with trainings on digital tools and soft skills to deliver classes online.</p> <ul style="list-style-type: none"> • 12,270 teachers registered for the Maestr@s Conectad@s Program.
				El Salvador	<p>Since 2019:</p> <ul style="list-style-type: none"> • Reached 18 public schools and • Conducted 470 workshops on Conectate Segur@ for 700 teachers, 2,200 parents and 9,000 students. • In 2020, 27 Digital Volunteering activities were designed to enable continuity during the pandemic, through which over 2,000 employees participated by engaging their personal social media audiences with Child Online Protection material.
				Bolivia	<p>Since 2019 77,600 children and adolescents from over 100 participating schools have attended the trainings.</p> <p>In 2020 109,000 teachers completed the Maestr@s Conectad@s training.</p>

Connecting Communities

Projects	Description of Projects	SDGs	Metrics	Country	Impact
<p>Connecting communities</p>	<p>Tigo in your Community The program seeks to strengthen the quality of education for children and youth, providing digital learning centers, trainings in the use of information technology, programming skills, robotics and child online protection to students and teachers, and improving school infrastructure</p>		<p>Institutions impacted and individuals benefitted by connectivity and refurbishing or installation of infrastructure</p>	<p>Paraguay</p>	<p>Telecenters are community centers with computer equipment and teachers to educate students, parents, and teachers per year on digital literacy and tools, computer and programming skills, robotics and child online protection, and foster community-building and interaction. As of 2020, there are 156 telecenters installed by Tigo in several locations throughout Paraguay.</p> <ul style="list-style-type: none"> • 20,500 students have access to telecenters across the country. • More than 2,000 teachers have telecenters available in their schools as educational tool.
				<p>El Salvador</p>	<p>Because of COVID-19 related mobility restrictions, no refurbishing or installation of infrastructure in schools were done. In 2020, 26 schools were provided connectivity.</p>
				<p>Bolivia</p>	<p>1,116 people with disabilities attended training sessions or workshops during 2019. Due to the pandemic, no schools were connected during 2020. Connectivity to 57 public institutions was provided.</p>

Sustainability in Millicom’s Supply Chain

Projects	Description of Projects	SDGs	Metrics	Country	Impact
Sustainability in Millicom’s Supply Chain	The purpose of the program is to integrate sustainable practices in Millicom’s key suppliers’ practices and operations by training them on topics such as Health & Safety, Anti Bribery and Anti-Corruption (ABAC), Fair Labor Practices, Child Rights and Eco-Efficiency. Suppliers, with emphasis on those with lower scores on sustainable procurement platform, are required to develop Corrective Action Plans which are monitored by the company.		Train 20 suppliers annually on key sustainability issues which impact Millicom and suppliers	Paraguay	68 suppliers were trained in 2017-2019. The Supplier Training program was put on hold during 2020 in consideration of the inherent challenges imposed on suppliers by COVID-19, including travel and local mobility restrictions.
				El Salvador	58 suppliers were trained in 2017-2019. The Supplier Training program was put on hold during 2020 in consideration of the inherent challenges imposed on suppliers by COVID-19, including travel and local mobility restrictions.
				Bolivia	47 suppliers were trained in 2017-2019 The Supplier Training program was put on hold during 2020 in consideration of the inherent challenges imposed on suppliers by COVID-19, including travel and local mobility restrictions.