Millicom International Cellular S.A. - Climate Change 2021

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 fixed 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 , 2020, Millicom operating subsidiaries and joint ventures employed more than 21,000 people and provided mobile services to approximately 55 million customers, with a cable footprint of more than 12 million homes passed. Founded in 1990, 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 policymakers, 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 have a Corporate Responsibility (CR) framework that shows 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 2020: https://www.millicom.com/2020annualreport

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 2019	September 30 2020	Yes	2 years

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
Luxembourg
Nicaragua
Panama
Paraguay
United Republic of Tanzania
United States of America

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 (BoD), 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 and determine actions to prevent or mitigate them. A concrete example of how the BoD is involved in the decision making is through the approval of capex allocation in the yearly budget, which includes the financing of projects with a reduction of our carbon footprint through energy efficiency.
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. The CTIO oversees three business functions critically relevant for our climate strategy: Service Assurance, which manages the network's everyday operation, Engineering, which designs and plans the technological evolution of our digital highways and oversees capex allocation, and Supply Chain, which manages key vendor relationships.
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 Reviewing and guiding annual budgets	<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 (Director, 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 Stewardship Leadership Group (ESLG))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Environmental, Health, and Safety manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Process operation manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than 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, Engineering 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 and reputation management. It also monitors the political and regulatory environment to identify potential risks and opportunities emerging from regulations and public policies, to ensure proactive and prompt measures are taken .

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, in close collaboration with our Service Assurance teams, as well as our Environmental, Health and Safety manager.

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 (ESLG), 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.

· Providing direction and advice and assigning appropriate teams and resources to implement decisions taken.

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

· Supporting 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. Since its inception, in 2019, it has reviewed and provided feedback on the efforts and capability building towards setting emissions reduction targets, currently underway.

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

Director, 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 (VP Procurement and Supply Chain and Director Corporate Responsibility)	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 Procurement and Supply Chain and Director of Corporate Responsibility 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.
Environmental, health, and safety manager	Monetary reward	Emissions reduction project Energy reduction project Efficiency project	Millicom's environmental manager is annually evaluated and incentivized based on performance against environmental commitments. 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, Health, Safety and Environment 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	3	Timeframes considered from a risk perspective and contemplating the useful life of equipment.
Medium-term	3	10	Timeframes considered from a risk perspective and contemplating the useful life of equipment.
Long-term	10	30	Timeframes considered from a risk perspective and contemplating the useful life of equipment.

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: > $310m

EBITDA: > $240m

OCF: > $140m

EFCF > $67m

Equity Value: > $6/share

This definition applies to all risks included in our Enterprise Risk Management (ERM) system, including climate change. To assess and quantify climate risk, our integrated services team has conducted a climate risk map throughout the region, based on:

1. Nature of the risk (physical, reputation, technological, regulatory, etc.)

2. Magnitude

3. Likelihood

4. Timeframe considering the short, middle and long term definitions as described in 2.1a

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 organization - Personal ownership and responsibility for each risk within the organization - 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 officers 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. Since 2019, in addition to the key risks related with Network Resiliency, Technology Transformation Projects and Political & regulatory environment, we have 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 the 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 Climate Leadership, as well as many others throughout the year • Since 2018, we have also been 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. FoR closely monitors emerging regulations and initiatives, such as the EU Taxonomy for Sustainable Activities, mandatory climate disclosures and GHG accounting. In the framework of FoR, thus, the topic of climate change is addressed with increasing frequency 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 2020, along with responding to the challenges raised by the coronavirus pandemic, we also sought to learn from this unprecedented experience and to understand whether we should adjust our CR framework, targets or disclosures. Our CR team spearheaded a COVID-19 Materiality Assessment that involved in-depth conversations with over 40 Millicom business leaders from every major operational segment and external stakeholders. The assessment also included an online survey that received more than 4,000 responses from B2C and B2B customers and diverse community organizations. We found that the CR framework we have had since 2018 provided a sound compass to help navigate through the disruption. While all of our current areas of focus remain of interest to our stakeholders, some topics, such as Digital Divide, Employee and Contractor Health and Wellness and Climate Change increased in importance, the latter being unanimously stressed by investors and showing increased perceived importance among customers and community organization. Our main conclusions were that Millicom has an opportunity to more clearly link its CR goals with the company business objectives and to better communicate that alignment to all of our stakeholder groups. More details here: https://www.millicom.com/2020annualreport/reassessing-our-cr-strategy-through-a-covid-19-lens 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 have not traditionally been characterized by strong climate regulation, therefore our driver stems more from risk awareness and stakeholder expectations or potential legal litigations than from current regulatory requirements. As we progress in the evaluation of alternative energy sourcing models and others, in addition to energy efficiency and related policies, legal analysis will accompany the existing and future climate endeavors we undertake.
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, we initiated a closer monitoring of our countries' NDC s in late 2020, with the goal of identifying areas of collaboration, emerging regulations that can impact our business with related opportunities to seize or risks to manage. For instance, Colombia has a national carbon tax introduced in 2016 applicable to liquid fuels which currently covers approximately 27% of Colombia's emissions but could be expanded to other sectors as part of the measures to meet the targets set in the country's NDC.
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. We have a taskforce within our Operations area that works to identify and scale successful energy and fuel efficiency and emissions reduction initiatives, systematizing best practices for adoption throughout the region.
Legal	Relevant, always included	As part of our risk mapping, litigation on any range of issues is always included. That said, to this date we have not had any climate related litigations in any of our operations and we do not consider this risk to be high.
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 supply, 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. We conduct risk assessments in 2-3 countries every year to cover our entire operation approximately every three years. Such assessments provide recommendations to improve the resiliency of our sites.
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 Flexenclosure 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 directly impacts 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. According to the IPCC's 5th Assessment Report, as cited by "The IPCC's Fifth Assessment Report: What's in it for Latin America?", pg. 10, "under a range of medium and high emissions scenarios, warming varies from +1.6°C to +4°C in Central America, where we operate in 5 countries, and 1.7°C and 6.7°C in South America, where we operate in 3 countries. The same report shows a trend for increased droughts, which may impair the supply of electricity generated by hydropower and lead to service interruption or rationing, among other disruptions caused by water stress.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

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. Due to the uncertain nature, multiple possible impacts of rising mean temperatures and the diverse factors involved, ranging from increased energy demand to water stress and health implications, it is a challenge to reliably quantify financial impact.

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 optimally together and also uses the lowest footprint possible. All new sites use 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 follow 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 run as primary/disaster Recovery configurations. During 2020: » Starting with our datacenters in Honduras, we deployed new datacenter virtualization software in place of older, energy-intensive racks of servers. The upgrades also eliminated many of the local hub sites that formerly supported our network. We also brought this technology into our Panama and Guatemala facilities in 2020, with plans to expand it to other operations in 2021. Results: » Increased our points of presence by 40% while our total energy costs rose just 5% These and other improvements will enable us to continue expanding our customer base and fulfilling increasingly sophisticated data needs while effectively shrinking the square footage required for datacenters and other facilities. 68 million USD have been invested since 2019 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
Decreased revenues due to reduced production capacity

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 events can also generate service disruption as a consequence of power outages that could result in loss of income.

Time horizon
Medium-term

Likelihood
More likely than not

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)
0

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

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

Explanation of financial impact figure
Extreme weather and natural disaster events are highly variable both in the type and extent of damage, and therefore so are our costs in response to these events. These could include damage to physical assets, expenses to restore services and revenue loss, among others. For instance, insurance claims in the wake of Eta and Iota hurricanes in our Honduras, Guatemala and Nicaragua operations have ranged from USD 150,000 to USD 3M.

Cost of response to risk
3000000

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. This continuity strategy is governed by a clear set of Millicom Network Continuity Guidelines which are followed by all operations. We operate following industry standard procedure and targets. Our network is designed to keep levels of availability of 99.9% for access network and 99.99% for core networks. There are standard processes for service recovery, preventive maintenance that are monitored in a regular basis. We perform a periodical review and update of inventory of critical network and IT systems. The crisis response plan is defined for each critical network and IT system and update as required tested at least annually. We have defined metrics and escalation points for each critical network and IT platform. We conduct risk assessments in 2-3 countries every year to cover our entire operation approximately every three years. Such assessments provide recommendations to improve the resiliency of our sites. Each operation performs a tabletop testing of their DR plans every year and there is a clear responsibility assignment for Disaster Preparedness and response for the Factory team. As stated above, 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 around 3M USD per year. Of this, approximately 60% is due to natural catastrophes.

Comment

Identifier
Risk 3

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

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

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

Company-specific description
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. To date, the electricity we consume comes almost entirely from the national grid, therefore our emissions, coming in nearly 80% from electricity, are largely affected by our locations. Some of our operations, like Paraguay and Costa Rica, have very high proportions of their electricity generated by renewable sources, but in other countries emission factors are very high and therefore so are our Scope 2 emissions. Millicom’s operating countries in Latin America are among the countries where a carbon pricing initiative can be implemented. According to the World Bank, currently there are 51 carbon pricing initiatives implemented or scheduled for implementation. Among our markets and as stated in section 2.2a, Colombia already has a national carbon tax, which currently affects liquid fuels but is likely to expand to other sectors as part of measures to meet the country's NDC.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

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)
9700000

Potential financial impact figure – maximum (currency)
19300000

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 disincentive 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 lower ranges identified by the High-Level Commission on Carbon Prices to be effective to curb the increase in carbon emissions (US$50–100/tCO2e by 2030) and considering our 2020 level of carbon emissions, impact could range from 9.7M USD to 19.3M USD annually.

Cost of response to risk
188000000

Description of response and explanation of cost calculation
Our 5-Year 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 e-waste 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. To date, we have 12 Tier III certified state-of-the-art datacenters in Latin America. 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. Furthermore, we invested USD 40,000,000 in the modernization of the recently acquired mobile operation in Nicaragua which reached 1,100 sites and enabled 20%-25% lower electricity consumption vs the previous technology; 1.5 million KwH saved through the end of 2020, well above our expectations. Furthermore, the new network requires fewer maintenance visits, which greatly reduces our fuel consumption. Finally, the investments made for physical infrastructure, capacity and increased coverage, as detailed in section 2.4a, Opp1, also enable us to generate lower emissions and are thus included in this estimation.

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. We are in the process of setting emissions reduction targets, to be announced by early 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 pursued since it will bring increased revenues. Millicom, through its principal brand Tigo, continues to increase its footprint in Latin America. In emerging markets, high-speed cable/broadband and mobile communications services promote social good by enabling digital inclusion, innovation and generate socio-economic growth, and to play an important role in the new normal after COVID19 across all its customers. Tigo's mobile subscriber base in Latin America is over 41 million, and its home customer base is over 4.5 million.

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, for instance due to avoided truck rolls while providing prompt, effective assistance, streamlining payments and enhancing customer experience for mutual time and financial benefits, optimization of traditional channels and minimization of paper forms and records while securely managing storage and documentation.

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 41 million. 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. Thanks to these investments and long-term thinking, our networks were able to handle the steep and abrupt spikes generated by mobility restrictions during 2020. 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 troubleshooting visually together with the customer). In 2020, Tech See helped us avoid ~10,250 truck rolls per month regionally, with an effectiveness range of 65 to 75%. This reduction in truck rolls with Tech See results in a net savings of ~$US 2.5M and 111 metric tons of CO2 emissions avoided. 2. Teleworking / telecommuting to reduce commute-related emissions (cars, buses, trains, airplanes). Covid-19 has accelerated the transition to teleworking, and since March 2020 approximately 80% of our customers currently operate with a mix of virtual/in-person. Our services were crucial to enable the abrupt transition to remote work that affected large proportions of the population during 2020. Many of the teleworking trends accelerated by the pandemic are expected to continue, which translates in an ongoing need and market opportunity. 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 2020, the number of Tigo customers who paid bills online increased more than twofold to 15.5M, which is ~1.3M monthly of avoided costs. 4. Online sales and service transactions are reducing physical visits to stores, banks, and kiosks. In 2020, we saw 400,000 less transactions per month in traditional channels. This could be calculated as avoiding ~1 mile travelled by customers in 2020, or ~4.3M lbs of CO2 emissions avoided.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

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. During 2020, in the face of the disruption and the need to be connected even for activities that previously would not have required a connection, our commercial home team made the decision to avoid service termination, providing customers unable to pay with a lifeline product. Furthermore, especially between April and August, we faced issues, such as: » Skewed recollection rates, pushing higher volumes to end of year or early 2021. » Reduced lab capacity during the lockdowns due to abrupt closures and/or

absenteeism. » Limited device recollection due to circulation restrictions during quarantine. Despite the above, we achieved a 64% recovery rate and with a higher capital expenditure avoidance than in 2019 due to new, more expensive CPE models being recovered as well as more units retrieved despite the percentage diminishing, as a result of the inclusion of our Panama operation to the program and a spike in Colombia. This resulted in estimated: » 1,770.3 tons of CO2 emissions avoided » 1,098.4 tons of plastic waste diverted from landfill » 1.2 million cubic meters of water saved

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)
109000000

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

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

Explanation of financial impact figure
Despite the difficulties cited, the project allowed us to save USD 109M of capital expenditure, thanks to the recovery of the CPE that can be redeployed to the circuit.

Cost to realize opportunity
19400000

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). Because of the inclusion of two newly acquired operations in the program, we revised our public target, which is now 76% of CPE by 2024. In 2019 we achieved 64% CPE E2E recovery across the region, with Costa Rica, Bolivia and Colombia already above the 72% 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 19.4M USD 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?
Direct operations

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 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. Our industry has a key role in the creation of more resilient communities and eligible projects cover not only initiatives with direct mitigation benefits, such as those described below, but that ensure connectivity and reduction of the digital divide, a pressing issue in emerging markets such as those in which we operate. Among other projects, Sustainability Bond proceeds were used to: • Develop 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 Datacenter in Santa Cruz. • Modernize networks, which increase overall network capacity and performance, reduces the number of required points of presence and our environmental footprint. As of the end of 2020, we have deployed 4,917 4G points of presence which we estimate have two times greater spectral efficiency than 3G. 2020 progress report can be found here: https://www.millicom.com/media/4430/millicom-sustainability-bond-2020-investor-progress-report.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)
211

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
78000

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 the Sustainability Bond Framework, all available within the following link: https://www.millicom.com/our-responsibility/cr-reports/. Cost to realize opportunity USD 78K, 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 for the first year and one month for the subsequent two years.

Comment
The net proceeds from issued Sustainability Bonds were 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 includes an allocation report and an impact report and will be published annually as long as there are Sustainability Bonds outstanding.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Other, please specify (Access to credit tied to solid ESG performance)

Primary potential financial impact
Increased access to capital

Company-specific description
In October of 2020, Millicom entered a 5-year, $600 million ESG-linked revolving credit facility (the "Facility") with a syndicate of 11 commercial banks. The Facility includes provisions that incentivize Millicom and certain of its operating subsidiaries in Latin America to meet predetermined sustainability targets. The Facility is the first ESG-linked facility for Millicom and its subsidiaries and is among the first commercial bank facilities in Latin America to incorporate sustainability-linked pricing. Results: This approach to linking financial and ESG performance targets will help to advance in objectives listed below, the first two of which are intrinsically linked with the work we do to reduce emissions throughout our value chain: » Reducing our environmental footprint through customer premises equipment recovery » Training suppliers on Millicom's core values and CR practices such as health and safety, anti-corruption, compliance, human rights and eco-efficiency » Empowering women and reducing the gender gap by training women on digital literacy and entrepreneurship through our Conectadas program » Training teachers, through our Maestr@s Conectad@s program, to deliver more effective online education for students

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)
600000000

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

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

Explanation of financial impact figure
In October of 2020, Millicom entered into a 5-year, $600 million ESG-linked revolving credit facility (the "Facility") with a syndicate of 11 commercial banks. The Facility includes provisions that incentivize Millicom and certain of its operating subsidiaries in Latin America to meet predetermined sustainability targets. The Facility is the first ESG-linked facility for Millicom and its subsidiaries and is among the first commercial bank facilities in Latin America to incorporate sustainability-linked pricing.

Cost to realize opportunity
30000

Strategy to realize opportunity and explanation of cost calculation

Building upon the steps our company took in 2019 with the issuance of a $200 million Sustainability Bond, we secured even deeper financial support last year based on the strength of our ESG work. This is another powerful way that our commitment to operating sustainably and being an agent of positive change in society also drives Millicom's business success. We tapped into the experience and networks built upon the Sustainability Bond, members from CR, Treasury, Procurement and Reverse Logistics worked with the banks syndicate to develop the RCF terms. The Bank of Nova Scotia and BGL BNP Paribas acted as Joint Bookrunners and Joint Mandated Lead Arrangers. BNP Paribas acted as Documentation Agent and DNB Bank ASA acted as ESG Coordinator. The Bank of Nova Scotia also acts as Administrative Agent. Cost to realize opportunity, USD 30K, 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 4 months from initiation till project approval.

Comment

C3. Business Strategy

C3.1

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

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	It has not yet been determined whether the plan under development will be included as scheduled AGM item.

C3.2

(C3.2) 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

C3.2b

(C3.2b) 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 and we have prioritized focusing on strengthening other aspects first, such as setting up the structures and resources for alignment and accountability to enable us to increase our ability to operate efficiently and source a higher proportion of renewable energy. Despite a temporary slowdown due to the COVID-19 crisis, we have continued to make progress increasing cross-functional collaboration (i.e. between our service assurance and crisis management teams) to maximize the systems and data available while conducting additional analysis for better decision-making. We already operate following industry standard procedures and targets: the network is designed to keep levels of availability of 99.9% for access network and 99.99% for core networks. As stated in section 2.3a, we have in place standard processes for service recovery and preventive maintenance that are monitored in a regular basis. We perform a periodical review and update of inventory of critical network and IT systems. The crisis response plan is defined for each critical network and IT system and updated as required. Such plans are tested at least annually, and we have defined metrics and escalation points for each critical network and IT platform. As we continue integrating climate mitigation and adaptation criteria throughout our processes, both for existing and upcoming infrastructure, scenario analysis will likely become an intrinsic element of these procedures. Furthermore, in 2021 we will conduct a natural disaster risk assessment that will help us further identify our areas of exposure and potential vulnerability.

Among our public Environment commitments, we are taking the necessary steps and creating the required operational capabilities to have a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers approved and announced by 2022. This will be built upon the work underway to set emissions reduction targets and a related mitigation strategy. Moreover, since 2019, we've been part of the GSMA Climate Taskforce "Mobile creating a #BetterFuture: Climate Action", though which we joined forces with industry peers by "developing a decarbonization 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.

C3.3

(C3.3) 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 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 continue to work 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. In 2020 the program was put on hold due to the restrictions imposed by the COVID-19 crisis, but we continued providing training to our Procurement staff and enhanced the overall training content, including climate change and Scope 3 emissions, for the re-launching of the program in mid-2021. We already have vendor-specific initiatives in place, such as energy-saving features as part of our network service contracts. We are currently working with select Procurement leaders across our supply chain to identify key vendors and categories to monitor and work with in order to reduce our scope 3 emissions, synergizing and accelerating the efforts to reduce Scope 1, 2 and 3 emissions.
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 continue to work 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. 2020 was a year in which our industry had a crucial role in maintaining proximity while enabling social distancing, in most cases with abrupt shifts. As the digital divide becomes more and more apparent, we continue making investments to connect the unconnected, seeking as much as possible to decouple this growth from energy consumption and carbon emissions. We have had a successful pilot in Honduras deploy Solar and smart power management systems with Energy As A Service (EAAS) model, delivering enhanced service stability and energy/ fuel efficiency. We expect to roll out three more operations in over 2,700 sites over the next five (5) years. We are testing the EAAS model in one of our datacenters, intending to extend the program in Latam if the test is successful.
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 have stepped up our joint work by designating a "green taskforce" 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. We have an active Power Purchase Agreement in our Panama operation for two datacenters which supplies almost 2,000 Mwh per year and in 2020 signed another two for an additional 38,766 Mwh per year. In addition, our operations have several power-saving initiatives in place which we are looking to scale, such as optimization of cooling systems, renewables, legacy site decommissioning, off-grid hybrid systems, network modernization and enhanced power saving features.

C3.4

(C3.4) 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 due in 2024, and the first Green and Social Bond issued from Latin America, which 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 October of 2020, we announced the refinancing of its Revolving Credit Facility with a new $600 million ESG-Linked Facility, with sustainability targets set that include reducing Millicom's environmental footprint through customer premises equipment recovery, training suppliers on Millicom's core values and CR practices such as health & safety, anti-corruption, compliance, human rights, climate change and eco-efficiency. In addition, a key consideration for capex approval is, wherever applicable, the financial and environmental benefits of more efficient and/or cleaner technologies. Our Service Assurance team, which focuses on providing uninterrupted service while maximizing operational efficiencies, has conducted an inventory of implemented and ongoing initiatives with emissions reduction benefits through energy efficiency and renewables, assessing the scaling potential throughout the Latam region. The five workstreams identified group 14 types of initiatives including cooling systems optimization, site power off and migration, renewables, off-grid hybrid systems and network modernization, among others. Along with significant efficiencies achieved through reduced consumption of electricity and fossil fuels, these initiatives have strong business cases that include reduced Opex and Capex, operational efficiencies and improved service. All emissions reduction projects are evaluated from this perspective and our Global Investment Strategy, Engineering, Treasury and Finance teams are jointly working to further integrate these criteria in relevant projects. Through this effort, we seek to increase our ability to identify and support projects and investments with significant emissions reduction potential, both to drive scale and innovation to decarbonize our network, while demonstrating robust analysis, management and performance to attract capital and accelerate these initiatives in the region.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Since 2018 we have used 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.

In order to understand and address the increasing shareholder expectations in terms of disclosure and performance, the Investor Relations and Corporate Responsibility teams collaborate extensively throughout the year.

In 2020 we conducted a gap analysis with a key partner in order to assess the level of alignment of our current tools, processes and disclosures. The assessment found partial alignment in 9 out of 11 TCFD's recommended disclosures, with a clear governance structure, identification and description of climate risks and opportunities, and key metrics regularly and consistently reported. We have developed a detailed roadmap to enhance our capabilities in all four areas of TCFD recommendations, with particular focus on fulfilling our commitment to set new emissions reduction targets. The roadmap is also a necessary step toward our comprehensive climate strategy to become an even more resilient operator that can keep our communities connected and bring low-carbon solutions to our customers and communities.

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	We expect our energy demand to increase, due to the growth of our network and network traffic. Preliminary estimations for emissions increase under Business as usual conditions show an increase in the order of 11% by 2025, using an average organic growth rate of ~ 2%/ year. With this in mind, our first goal is to become as efficient as possible and, just as important, to maximize the proportion of renewables in that energy we do consume, therefore decreasing our emissions.	Per our public commitments, we are in the process of setting targets now. In the past 3 years we have been improving our internal reporting processes and aligning contributing teams to provide robust data for analysis, projections and to have the organizational alignment and systems in place to enable the establishment and successful accomplishment of emission reduction targets. Furthermore, in the past two years we were under a process of integrating newly acquired operations in Panama and Nicaragua which, in turn, implied additional measures to align measurement and monitoring of energy and carbon emissions data, among others. We are currently well on track to meeting our commitment, as a result of a coordinated effort among Service Assurance, Engineering, Global Investment, Procurement, EHS and External Affairs Teams, among others.

C4.2

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

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2018

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	Other, please specify (Consumer Premise Equipment (CPE) end to end recovery)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018

Figure or percentage in base year
68

Target year
2024

Figure or percentage in target year
76

Figure or percentage in reporting year
64

% of target achieved [auto-calculated]
-50

Target status in reporting year
Underway

Is this target part of an emissions target?
Not currently, but likely to be integrated to future ones.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
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 76% of CPE by 2023 through 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. Like in many other aspects and ongoing programs, COVID-19 put the customer premise equipment (CPE) recovery to the test. In the face of the disruption and the need to be connected even for activities that previously would not have required a connection, our commercial home team made the decision to avoid service termination, providing customers unable to pay with a lifeline product. Furthermore, especially between April and August, we faced issues, such as: » Skewed recollection rates, pushing higher volumes to end of year or early 2021. » Reduced lab capacity during the lockdowns due to abrupt closures and/or absenteeism. » Limited device recollection due to circulation restrictions during quarantine. Despite the above, we achieved a 64% recovery rate and with a higher capital expenditure avoidance than in 2019 due to new, more expensive CPE models being recovered as well as more units retrieved despite the percentage diminishing, as a result of the inclusion of our Panama operation to the program and a spike in Colombia. This resulted in estimated: » 1,770.3 tons of CO2 emissions avoided » 1,098.4 tons of plastic waste diverted from landfill » 1.2 million cubic meters of water saved

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	2	
To be implemented*	9	692.48
Implementation commenced*	3	74.05
Implemented*	5	2012.56
Not to be implemented		

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 production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
270.33

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
513954

Investment required (unit currency – as specified in C0.4)
650000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Alternate use of lithium batteries and generators, reduces use of the latter from 24 hours to 6 a day, with battery backup in Guatemala.

Initiative category & Initiative type

Other, please specify	Other, please specify (Legacy site decommissioning)

Estimated annual CO2e savings (metric tonnes CO2e)
190.3

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
122356

Investment required (unit currency – as specified in C0.4)
247000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
383.75

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
512765

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative

6-10 years

Comment
No additional investment required as it consists in implementation of power saving features for radio equipment- Reported separately 4 times as it is implemented in different countries.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
358.91

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
230765

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
No additional investment required as it consists in implementation of power saving features for radio equipment

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
809.28

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
640967

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
No additional investment required as it consists in implementation of power saving features for radio equipment

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.
Employee engagement	In order to align criteria and provide basic climate change knowledge, how it impacts our business and what are the risks and opportunities for our industry and region, in 2020 we conducted a cross-functional climate change training, aimed at over 70 key designated members of Operations, Procurement, Engineering, Investment Strategy, Regulatory affairs, Corporate Responsibility and others. The training was delivered for headquarters and operations and comprised the following: - Why climate change-related management is a key focus area for investors and ESG analysts which rate our ESG performance, - Climate concerns for our four key stakeholders: Investors; Customers, Employees and Communities, - Specific climate risks in Latam and implications for our business, - How the telecommunications industry can be part of the solution through low-carbon solutions for customers, and - Overview of trends and existing practices in the industry. This was done in preparation for the work, currently underway, of setting emissions reduction targets and a related mitigation strategy.

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
3

% 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 ~3% of B2B 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 2019

Base year end
September 30 2020

Base year emissions (metric tons CO2e)
27339

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 2019

Base year end
September 30 2020

Base year emissions (metric tons CO2e)
165197

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 2019

Base year end
September 30 2020

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)
27339

Start date
October 1 2019

End date
September 30 2020

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

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
20553

Start date
October 1 2018

End date
October 1 2019

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

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
39181

Start date
October 1 2017

End date
September 30 2018

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
184352

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
October 1 2019

End date
September 30 2020

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.

Past year 1

Scope 2, location-based
137754

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
October 1 2018

End date
September 30 2019

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.

Past year 2

Scope 2, location-based
140605

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
October 1 2017

End date
September 30 2018

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?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Refrigerant gases

Relevance of Scope 1 emissions from this source
Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
Up to 2021, we did not include refrigerant consumption in our Scope 1 analysis due to constraints obtaining the data. Preliminary estimations indicate that fugitive emissions represent a significant proportion of our Scope 1 emissions, therefore we are diligently working to update our GHG accounting methodology and systems to include them in the calculation for 2021 and beyond.

Source
Natural Gas Consumption

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
Natural gas consumption is minimal and with limited, domestic use (offices). Therefore we do not currently measure or report consumption, but update our guidelines on a yearly basis to contemplate changes in the use and impact on carbon footprint.

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, 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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

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

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Upstream transportation and distribution

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Waste generated in operations

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
258

Emissions calculation methodology
We only consider air travel for Scope 3 emissions in 2020. The default emission factors utilized for air travel emissions are from the UK DEFRA. 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.

Employee commuting

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Upstream leased assets

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Downstream transportation and distribution

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Processing of sold products

Evaluation status
Not evaluated

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 currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

End of life treatment 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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Downstream leased assets

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Franchises

Evaluation status
Not evaluated

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 currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Investments

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 are currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Other (upstream)

Evaluation status
Not evaluated

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 currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

Other (downstream)

Evaluation status
Not evaluated

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 currently working to develop a methodology and report a broader range of Scope 3 emissions. We are doing this by working with our Procurement and Commercial teams in order to identify key upstream and downstream contributing categories.

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

0.033

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

211691

Metric denominator

unit total revenue

Metric denominator: Unit total

6261160.88

Scope 2 figure used

Location-based

% change from previous year

30

Direction of change

Increased

Reason for change

In 2019, our reporting perimeter decreased due to the sale of our Chad operation, which was highly reliant on fossil fuels and therefore had a high carbon footprint. In 2020, we incorporated our Panama mobile operation as well as our Nicaragua operation to our emissions data, which led to an increase in our carbon footprint.

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)	868.08
Colombia	1131.71
Paraguay	1952.2
Costa Rica	19.03
El Salvador	1379.53
Honduras	3256.87
Guatemala	6351.78
United Republic of Tanzania *Includes two entities: Zantel + Tigo Tanzania. Zantel omitted from the following energy metrics: Fuel for Offices and Datacenters, Energy from Fuel for Offices and Datacenters, Fuel, Energy from Fuel and Electricity for Shops.*	3651.59
Panama	7755.76
Nicaragua	972.28

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)	8269.92
Fleet (diesel)	5503.18
Offices and Data Centers	863.41
Shops	176.59
Base stations (physical sites)	12081.11
Fixed services sites	444.64

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)	24860.84			
Colombia	32855.67			
Costa Rica	301.6			
El Salvador	14010.22			
Honduras	25511.55			
Guatemala	36853.96			
Paraguay	0			
United Republic of Tanzania	7490.56			
Panama	7669.33			
Nicaragua	34632.66			
United States of America	165.72			
Luxembourg	0.41			

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	30493.05	
Fixed Network Sites	35523.31	
Mobile Physical Sites	113691.07	
Shops	4645.09	

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?

Increased

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		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 significant additions to our renewable energy base (largely coming from grid electricity in all markets).
Other emissions reduction activities	2355	Increased	1.5	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 and therefore relative stability between 2019 and 2020 emissions. To estimate the percentage of emissions value, we used the following formula: (YoY change in Scope 1+2 emissions without Nicaragua and Panama's mobile operation/Previous Year Scope 1+2 emissions)x100
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	51030	Increased	32	In 2020 we included the Panama mobile operation and the Nicaragua operation to the boundary. To estimate the percentage of emissions value, we used the following formula: (Change in Scope 1+2 emissions resulting from addition of Nicaragua and Panama's mobile operation/Previous Year Scope 1+2 emissions)x100
Change in physical operating conditions	1941.78	Decreased	1	Since offices and stores were shut down for most of 2020 and there was significantly less fleet movement due to COVID-19 restrictions, this resulted in a slight decrease in Scope 1 emissions. (Change in Scope 1 emissions without Nicaragua and Panama's mobile operation/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	Yes

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	104229	104229
Consumption of purchased or acquired electricity	<Not Applicable>	1937	647167.8	649104.8
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>	0	<Not Applicable>	
Total energy consumption	<Not Applicable>	1937	751396.8	753333.8

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	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
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
71094.4

MWh fuel consumed for self-generation of electricity
50567.7

MWh fuel consumed for self-generation of heat
20526.7

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

MWh fuel consumed for self-generation of cooling
0

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

Emission factor
0.00267

Unit
metric tons CO2e per liter

Emissions factor source
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.

Comment
Energy under "self-generation of heat" corresponds to fleet fuel consumption.

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
33102.7

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
33102.7

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

MWh fuel consumed for self-generation of cooling
0

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

Emission factor
0.00227

Unit
metric tons CO2 per liter

Emissions factor source
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.

Comment
Energy under "self-generation of heat" corresponds to fleet fuel consumption.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	50567.7	50567.7	0	0
Heat	53629.4	53629.4	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

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
ERM CVS 2020 Assurance Statement Millicom_FINAL_ISSUED.pdf

Page/ section reference
Annual Report 2020- Attached letter including values issued for this CDP report.

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

Page/ section reference

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?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE 3000	Total Electricity Consumption, Total Fuel Consumption and Total Energy Consumption are also within the independent assurance scope.

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

% of suppliers by number
17

% total procurement spend (direct and indirect)
0

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

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 suppliers providing us with energy management for our network and are expanding the focus categories to broaden our impact in the supply chain. The company invites suppliers to participate in the Ecovadis self-assessment. 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 , first of its class for the industry. Due to the COVID-19 pandemic and in line with our continuous support to our suppliers, we decided to focus our 2020 efforts on supporting suppliers that had received the CR training in past years, encouraging them to work on their areas of opportunity by establishing Corrective Action Plans to increase their EcoVadis scorecards and strengthen their CR practices. In 2021 we will re-launch a revised version of the training, adapted to e-learning for a broader reach and with a revised and updated climate section. 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% in 2017 to 62% 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, hence the 0% of supplier spend reported for that year. Because we report trained suppliers cumulatively, we have included the percentage trained to date. However, we conducted a Sustainability Platform Maturity Assessment to evaluate the strengths and gaps in our procurement platform. During 2020, 72% of our spend was directed to suppliers with completed Ecovadis assessments.

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. While we did not train new suppliers during 2020, we did offer Responsible Supply Chain training internally, reaching 83% of our HQ and operations Procurement staff.

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 74% of CPE by 2024 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 2020 we retrieved 2.8 million CPE from our customers throughout the Latam 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 and our local Regulatory teams are actively monitoring their countries' NDCs as well as measures and announcements towards COP26. 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).

Trade association
International Telecommunications Union (ITU)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Per the ICTs, Sustainability and Climate Change section on its website, the ITU views ICTs as "fundamental for monitoring climate change, mitigating and adapting to its effects and assisting in the transition towards a green economy. According to the ITU's "Dynamic Coalition On Internet And Climate Change (DCICC*) Statement On Climate Change and the Internet", "Given the special characteristics and needs of developing countries, urgent action must be taken to assist them to adapt to climate change. Most developing countries are only minor contributors to GHG emissions, but they are often victims of extreme weather events and other negative impacts of climate change, such as rising oceans, changes in rainfall, species migration, harm to farmers, degradation of the rainforest, melting of glaciers, and human displacement. For these countries, the Internet and ICTs can serve as a critical enabling tool to mitigate climate change and adapt to it".

How have you influenced, or are you attempting to influence their position?
Our CEO has been appointed Commissioner of the Broadband Commission for Sustainable Development, established in 2010 by the ITU and UNESCO with the aim of boosting the importance of broadband on the international policy agenda, the mission of the Broadband Commission is to bridge the digital divide, bringing the goal of universal connectivity to the forefront of policy discussions through the facilitation of impactful public-private partnerships. We strongly believe that broadband and the ICT industry as a whole have a key role in providing not only mitigation but adaptation solutions, which include opportunities for social development and human, as well as environmental, resiliency.

Trade association
US Chamber of Commerce

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
"The Chamber supports a market-based approach to accelerate GHG [greenhouse gas] emissions reductions across the U.S. economy. We believe that durable climate policy must be made by Congress, and that it should encourage innovation and investment to ensure significant emissions reductions, while avoiding economic harm for businesses, consumers and disadvantaged communities. This policy should include well designed market mechanisms that are transparent and not distorted by overlapping regulations. U.S. climate policy should recognize the urgent need for action, while maintaining the national and international competitiveness of U.S. industry and ensuring consistency with free enterprise and free trade principles. "

How have you influenced, or are you attempting to influence their position?
Millicom is a member of US Chamber of Commerce's AACCLA group and, in that capacity, participates in the Chamber's Task Force on Climate Actions. As a company with operations in emerging markets, we seek to bring their perspective to US members, as well as better understand opportunities for cooperation.

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. Our Panama operation is among the 50 first local companies to have joined the "Reduce Tu Huella" RTH, "Reduce your Footprint" initiative that commit to carbon neutrality by 2050, led by Panama´s Environmental Ministry.

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
mic-ar2020.pdf
final-mic_sasb-index-2021.pdf
final-mic_gri2020_final.pdf

Page/Section reference
29; 35-36; 45, 50, 56-57

Content elements
Strategy
Emissions figures
Other metrics
Other, please specify ((Case study on energy-efficient datacenters, network modernization 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	CFO	Chief Financial Officer (CFO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of fixed 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 , 2020, Millicom operating subsidiaries and joint ventures employed more than 21,000 people and provided mobile services to approximately 55 million customers, with a cable footprint of more than 12 million homes passed. Founded in 1990, 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 policymakers, 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 have a Corporate Responsibility (CR) framework that shows 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 2020: https://www.millicom.com/2020annualreport

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	4171000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	LU	0038705702

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (No first-hand data from suppliers providing devices for customer use)	Having suppliers provide more granular data on the carbon footprint on their products to be able to have more accurate assumptions. This could be helped by industry-wide action for greater leverage.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

As part of our emissions reduction strategy, currently under development, we are already expanding our capabilities to measure Scope 3 emissions and plan to further develop them to enhance Scope 3 measurement and monitoring. This will include working with our key suppliers in the devices categories to reduce the Scope 3 emissions due to use of sold products, which amounts to nearly 22% of our estimated Scope 3 emissions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

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	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Non-public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms