Sustainability Bond: Progress and Impact Report

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

February 2020

Letter from CEO

I am pleased to present our first Progress and Impact report. We are committed to building digital highways that connect people, improve lives and develop communities in emerging markets and to be the first and best choice for our customers. This is why we issued our first Sustainability Bond which is addressed to directly impact people and communities in Latin America on May 15, 2019 in the amount of SEK 2 Billion (the "Sustainability Bond"). Our Sustainability Bond proceeds were used to finance initiatives which build stronger digital highways and advance socio-economic progress and environmental stewardship in our markets.

Our Sustainability Bond – which was two-times larger than planned – served to support projects that offer broad social and environmental benefits that are aligned with eight Sustainable Development Goals (SDGs). These projects are geared towards reducing our climate footprint and providing greater digital and financial inclusion for the unconnected and underserved communities in our markets as well as its thriving middle class and businesses.

I would like to thank the many investors for trusting us with the capital we have invested, and which is already having a positive impact on the communities and markets we serve.

Mauricio Ramos

Chief Executive Officer

Letter from CEO

Sustainability at Millicom

Millicom is a leading provider of mobile and cable communication services dedicated to emerging markets. The company provides high-speed broadband, mobile communications, innovative services with the company's trademark The Digital Lifestyle™ to more than approximately 52 million customers primarily in Latin America under the Tigo and Tigo Business brands.

Our Corporate Responsibility Framework is centered around our business purpose and is focused on operating responsibly while driving the digital transformation of the communities in our markets.
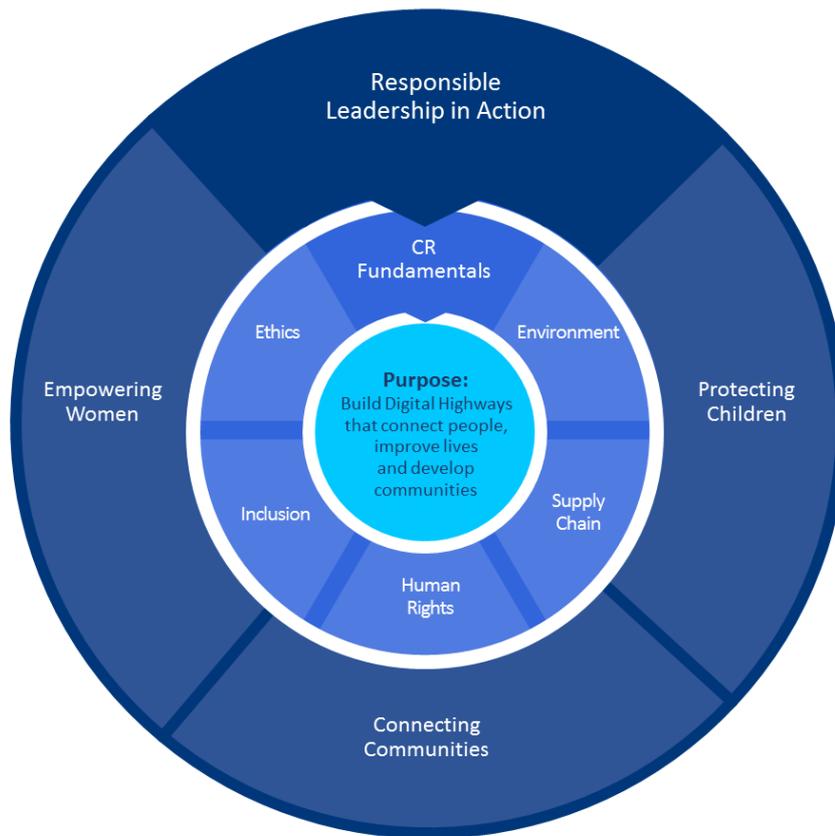
Our purpose is inextricably linked to our Corporate Responsibility Fundamentals and the programs where we strive to demonstrate our Responsible Leadership in Action. Our Corporate Responsibility Fundamentals – environmental stewardship, supply chain risk management, human rights, inclusion and ethics – are underpinned by policies, practices and targets[1] that guide us on how to conduct business in the right way. Our Responsible Leadership in Action programs – connecting communities, empowering women and protecting children – embrace our commitment to connect people, improve lives and develop communities.

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[1] Our progress against our CR 5-Year Plan and related targets is reported annually in our Annual Integrated Report, published simultaneously herewith.

Sustainability Bond Framework

Millicom recognizes the catalyzing role it can play to advance energy efficiency, reducing carbon emissions and fostering socio-economic advancement and empowerment for people at risk of digital exclusion in emerging markets.

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

Upon the issuance of the Sustainability Bond, Millicom established an internal Sustainability Bond Committee, formed out of cross-functional representatives who are responsible for evaluating and selecting eligible projects and administering the use of bond proceeds. The committee includes: Michel Morin, VP Strategy and Investor Relations, Bart Vanhaeren, VP Corporate Finance, Xavier Rocoplan, EVP Chief Technology and Information Officer, Rachel Samrén, EVP Chief External Affairs Officer, and Silvia M. Garrigo, Global Director Corporate Responsibility.

Use of Proceeds

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

The approved funds were allocated within one month from the issuance of the Sustainability Bond in the following categories of projects in El Salvador, Paraguay and Bolivia:

1. Projects with Environmental Benefits: Energy Efficiency

    - Datacenter: $7.3 million

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

    - Fixed network rollout and upgrade: $97.0 million

    - Mobile and network rollout: $63.1 million

    - Spectrum acquisition and renewal: $38.5 million

3. Projects with Social Benefits: Flagship Social Projects Facilitating Socio-economic Advancement and Empowerment $8.6 million

    - Empowering Women

    - Connecting Communities

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

- Protecting Children
- Sustainability in Millicom's Supply Chain

1. Projects with Environmental Benefits: Energy Efficiency

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

Project	Description of projects	SDG	Metric	Impact
Data centers	Investments and related expenditures in new data centers and upgrades to existing data centers to facilitate greater data exchange and storage and employing state of the art and high efficiency technology to reduce energy consumption and GHG emissions.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Power Usage Effectiveness (PUE), Energy Consumption Reduction and Energy efficiency	Developed an UPTIME Tier III certified facility in Bolivia, designed to operate at PUE 1.6 and with an estimated power reduction of 40% when compared to our previously existing traditional Datacentre in Santa Cruz.
Network modernization and General and Operational Efficiency	Investments and related expenditures to reduce network energy consumption by replacing old infrastructure with more efficient configurations and systems and the introduction of 4G LTE as a more efficient technology that utilizes less resources per unit of data traffic when compared to 2G and 3G and delivers an improved customer experience. Investments aimed at reducing energy consumption and environmental impact per mobile node through the replacement of legacy technology and improved monitoring process to be able to measure consumption more accurately to implement optimization actions. Additionally, investments in the continued reconfiguration and optimization of the network layout based on spectrum acquisitions to be able to provide services more efficiently and utilizing less resources and infrastructure.			Modernizing networks, which increase overall network capacity and performance, reduces the number of required points of presence and our environmental footprint. We have deployed 4,917 4G points of presence which we estimate have two times greater spectral efficiency than 3G.

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

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

Projects	Description of projects	Social objectives	SDG	Metric	Impact
Mobile network rollout	Investments to provide access to mobile voice and data services directed to expand coverage to broader populations in Bolivia, El Salvador and Paraguay.	Unconnected or underserved populations through expansion and upgrading mobile and fixed networks that can support new technologies such as 4G. Optimizing spectrum bands expand coverage and ensure a higher quality of service.		Data users and 4G net adds	Deployed 4,917 4G points of presence enabling the connection of 1.8 million 4G data users since 2017[1].
Fixed network rollout and upgrade	Investments in fixed network to increase broadband penetration.	Millicom's investments in spectrum add to the company's objective of improving mobile connectivity and expanding coverage to more people.		Homes passed, Homes Connected	Within our fixed network coverage increase, we enabled connectivity to approximately 845,000 homes (also called homes passed) and connected 385,179 families since 2017.
Spectrum acquisition and license renewal	As Millicom's coverage increases and Millicom continues to migrate to newer technologies (e.g. 4G), the company needs to acquire spectrum in different bands to support services in Paraguay.			Population coverage	4G population coverage from 51% in 2017 to 90% in 2019.

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

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

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

Empowering Women

Project	Description of Projects	SDGs	Metrics	Country	Impact
Empowering Women	**Connected women** Training program specifically for women in the uses and advantages of ICT. Reducing the gender gap in the usage of mobile phones, internet and mobile money, with the goal of bringing women into the digital economy.	5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 10 REDUCED INEQUALITIES	Women trained in digital skills, digital financial inclusion through Conectadas program	Paraguay	• 506 women surveyed. • 272 women participating in phase 1 (Digital and Financial Inclusion) of the program and 230 women in phase 2 (Professional and economic advancement). • Women reported to have jobs opportunities increased from 47.7% to 63.1% between pre/post training. • Women use of at least one mobile financial service increased from 24.6% to 30.8%; and women electronic wallet/accounts increased from 71.9% to 87.5%. • Self-esteem levels increased, and showed correlation with income increase and training.
				El Salvador	Reached 71,514 women through trainings from 2017 to 2019.
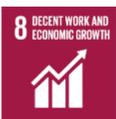
Project	Description of Projects	SDGs	Metrics	Country	Impact
				Bolivia	187,169 women reached from Oct. 2018 to Dec. 2019.
	Women in our value chain The program seeks to train and empower women micro-entrepreneurs by enhancing their self-esteem, business skills and digital literacy. By increasing women's pathways into the labour market, their productivity and income through digital tools, their socio-economic conditions will improve and stimulate a positive ripple effect in their families, communities and local economies.		Provide training and support to 60 low-income women to sell Tigo's products by using Tigo Money and promote mobile financial services to increase financial empowerment of women between 2019 and 2020	El Salvador	In 2019, 26 women micro-entrepreneurs were trained to become Tigo Money Agents, and trained in business skills such as planning and monitoring, sales, marketing, inventory and finance.
	Mobile Financial Services Promoters Certification The project aims to develop a sustainable and comprehensive business model for Tigo Money agents, certified as Mobile Financial Services Promoters, and at the same time, will grow their businesses.		Build on "Women in Value Chain" above and establish the first business model that includes mobile financial services and women empowerment.	El Salvador	Prepared training for 40 women micro-entrepreneurs as Promoters of Mobile Financial Services in their communities and new technologies in 2020.

Protecting Children

Projects	Description of Projects	SDGs	Metrics	Country	Impact
Protecting Children	**Conectate Segur@** The purpose of the project, is to help create a safe and positive online environment for children, teaching children, adolescents, families, teachers and caregivers about the dangers and opportunities related to the internet and digital technology and providing training to teachers on Child Issues/Rights. The trainings are given by qualified company volunteers. Children who do not have access to the internet are at a disadvantage to those that do. Access is just the first step but helping them understand how to use the tool for their development and education in a safe manner is key to help them thrive in the digital world.	4 QUALITY EDUCATION	Schools and students reached through trainings	Paraguay	• 1,152 students, 39 teachers, and 22 parents and caregivers participated in workshops. • 101 employees had 9 hours of training and are ambassadors of this program. • 75 employees developed delivered workshops with children or adolescents.
				El Salvador	In 2019 • Reached 18 public schools and • Conducted 399 workshops on Conectate Segur@ for 341 teachers, 2,092 parents and 8,674 students. 172 volunteers have been trained on Conectate Segur@ program during 2019 and participated as trainers during sessions in schools on safe and responsible use of the internet for children.
				Bolivia	Number of children and adolescents who attended trainings Year Students 2017 22,840 2018 19,820 2019 21,682 Participating Schools 110

Connecting Communities

Projects	Description of Projects	SDGs	Metrics	Country	Impact
Connecting communities	**Tigo in your Community** The program seeks to strengthen the quality of education for children and youth, providing digital learning centers, trainings in the use of information technology, programming skills, robotics and child online protection to students and teachers, and improving school infrastructure	4 QUALITY EDUCATION	Institutions impacted and individuals benefitted by connectivity and refurbishing or installation of infrastructure	Paraguay	2017: 105 telecenters; 2018: 136 telecenters; 2019: 1401 telecenters Telecenters are community centers with computer equipment and teachers to educate 5,000 students, parents and teachers per year on digital literacy and tools, computer and programming skills, robotics and child online protection, and foster community-building and interaction. • 20,175 students have access to telecenters across the country. • More than 2,800 teachers have telecenters available in their schools as educational tool.
				El Salvador	From 2016 to 2019: Established 19 digital learning centers in public schools .and benefited 11,500 students and 450 teachers. Provided connectivity in 14 public schools and 5 centers at NGO, "SOS Childrens Villages" and benefited 9,763 students and 340 teachers. Provided trainings on Information and Communications Technologies for Development, Robotics for parents and students at "SOS Children's Villages" from 2018 – 2019 and benefited 454 students and 151 parents. From 2016 to 2019, 1,302 Volunteers worked in schools to improve design and infrastructure. 172 volunteers have been

Projects	Description of Projects	SDGs	Metrics	Country	Impact
					trained on Conectate Segur@ program during 2019, and participated as trainers during interventions in schools on safe and responsible use of the internet for children
				Bolivia	1,116 people with disabilities attended training sessions or workshops during 2019. Internet connection provided to 29 schools during 2019.

Sustainability in Millicom´s Supply Chain

Projects	Description of Projects	SDGs	Metrics	Country	Impact
Sustainability in Millicom's Supply Chain	The purpose of the program is to integrate sustainable practices in Millicom's key suppliers' practices and operations by training them on topics such as Health & Safety, Anti Bribery and Anti-Corruption (ABAC), Fair Labor Practices, Child Rights and Eco-Efficiency. Suppliers, with emphasis on those with lower scores on sustainable procurement platform, are required to develop Corrective Action Plans which are monitored by the company.	8 DECENT WORK AND ECONOMIC GROWTH	Train 20 suppliers annually on key sustainability issues which impact Millicom and suppliers	Paraguay	68 suppliers were trained in 2017-2019
				El Salvador	58 suppliers were trained in 2017-2019
				Bolivia	47 suppliers were trained in 2017-2019