

Millicom Global Tax Strategy

Tax is one of the ways in which businesses contribute to the economy of the countries where they operate. With its Tax Strategy, Millicom aspires to provide transparency regarding its approach towards tax matters primarily based on the compliance with the law and protection of the Group's reputation.

The Millicom Tax Strategy is based on the following five principles: Tax Risk Management; Business Partnering and Support; People; Tax Compliance with all tax-related obligations; and Transfer Pricing. These tax principles apply to the entire Tax Function across the Millicom Group, including its operational countries. They also apply to all individuals within the organization who are involved in managing or directing Millicom tax-related matters.

Tax Risk Management

Millicom is a responsible tax contributor and believes that it has an obligation to pay the amount of taxes due by law in any territory where it operates, in accordance with the rules set out by each respective country's government. Nevertheless, in certain aspects of tax law there can exist ambiguity regarding the application of rules, which can lead to conflicting interpretations by taxpayers and tax authorities and may result in tax disputes.

Millicom aims to prevent unnecessary tax disputes by:

- Maintaining strong and factual technical tax positions based on tax laws and jurisprudence.
- Implementing and adhering to robust and rigorous compliance procedures.
- Providing an effective control framework under which the Tax Function executes.
- Actively collaborating with tax authorities.

The Millicom Group operates a process of tax risk assessment which is supported by internal controls generating a tax risk register which is subject to a regular robust review.

The group's risk appetite is **low** in terms of minimizing tax and has no risk appetite for breaching legislation.

Reputation

Reputation forms part of the overall decision-making and risk assessment process. In assessing reputational risk, Millicom does not want its tax affairs to appear in the public domain and will work to avoid any negative impact on shareholder value. Millicom will, however, only enter transactions which would be fully justifiable from an economic perspective should they become public. The Millicom Tax Function gives high consideration to the Group's reputation, brand, and corporate and social responsibilities when considering tax initiatives.

Business Partnering and Support

Millicom's business needs are paramount. All transactions must therefore have a business purpose. Millicom does not engage in artificial tax arrangements. The Tax Function will be a valuable partner for the business in providing the most adequate advice across all aspects of tax. Where alternatives exist to achieve the same objective, the Tax Function will recommend the business the most tax efficient approach in compliance with all relevant laws

People

Millicom requires its Tax Function to be carried out in accordance with principles of transparency and professionalism:

- Observe the Group Tax Strategy and Tax Policy as well as all applicable laws, rules and regulations;
- Apply diligent professional care and judgment to arrive at well-reasoned conclusions supported with documentation that evidences the facts, conclusions and risks involved;
- Seek third-party written advice and proper risk assessment as appropriate when the tax law is unclear or subject to interpretation;
- Develop and foster professional and courteous working relationships with tax authorities, government bodies and other related third parties;
- Maintain compliance with all anti-bribery legislation;
- Seek to influence applicable industry bodies or associations, governments and other external bodies (e.g. GSMA/OECD/EU) where possible and appropriate to shape future tax legislation and practice to balance the Group's interest (e.g. consistency, stability, competitiveness) with those of the relevant authority or policy.

Tax Compliance with all tax-related obligations

The Group must comply with all laws, tax regulations and disclosure requirements in all countries in which it operates. The Tax Functions ensure that all tax returns are submitted on a timely basis. Sufficient details are included in tax returns to enable tax authorities to form an accurate view of the affairs of the company filing the return with a sign-off process. The Tax Function relies on tax automation and standardization solutions to improve efficiency while complying with all tax-related obligations.

Transfer Pricing

All cross-border arrangements between companies of the Group will be consistent with the [OECD Transfer Pricing Guidelines](#) and will follow the arm's length principle. Millicom does not artificially transfer profits from one country to another to avoid taxes. Millicom is committed to paying the appropriate amount of taxes according to where the business creates value.

For identical intercompany transactions within the Group across different markets, Millicom seeks to use a consistent intercompany pricing methodology.