



Sustainability Bond: 2021 Investor Progress Report

Letter from CEO

I am pleased to present our 2021 Sustainability Bond Progress and Impact Report. Over the past two years, our purpose of building digital highways that connect people, improve lives, and develop communities has proven time and again to that our investments and your trust pay off. The eventual ease of lockdowns left us with renewed appreciation of the importance of in-person connections. Yet, in the new normal, providing connectivity services to as many people as possible is more essential than ever amid the accelerated digitalization of many everyday activities and work models that have permanently shifted to a hybrid or remote modality.

This Sustainability Bond which was launched in 2019, was the first of its kind in Latin America and the first for our company. Through it, and others that have come after this successful first experience, we continue to seek to directly impact people and communities in Latin America. Our Sustainability Bond proceeds were used to finance initiatives which were conceived for the long-term and helped us be better prepared with the right technology and community approach to respond to something as unforeseen as a global pandemic. They also equipped us to adapt and evolve our commitment to the development of a flourishing and resilient digital economy in our markets. Indeed, this long-term outlook, inherent to robust sustainability management, not only helped us during the crisis, but also to rapidly bounce back to pre-pandemic levels.

Our Sustainability Bond continues to support projects that offer broad social and environmental benefits aligned with eight Sustainable Development Goals (SDGs). Through these projects, we seek to reduce our climate footprint and provide greater inclusion for the unconnected and underserved communities as well as for our markets' thriving middle class and businesses, and they continue to enable positive outcomes, as detailed in this report.

One of the key takeaways of COP 26 has been, precisely, the need to advance and financially enable not only mitigation but also adaptation efforts in emerging markets, which we believe all the projects detailed in this report and many more of our initiatives and efforts contribute to. Functioning as a channel to attract much-needed investments for state-of-the-art technologies and development in our region is an opportunity and responsibility that we do not take lightly. I would like to thank the investors who have trusted us with their capital, which we have deployed to help develop our communities in Latin America as we fulfill our purpose.

Mauricio Ramos

Chief Executive Officer

Sustainability at Millicom

Millicom is a leading provider of mobile and cable communication services dedicated to emerging markets. The company provides high-speed broadband, mobile communications, innovative services with the company’s trademark The Digital Lifestyle™ to nearly 58 million customers primarily in Latin America under the Tigo brand.

Centered around our business purpose, our Corporate Responsibility Framework and overall sustainability approach are focused on operating responsibly while driving the digital transformation of the communities in our markets. In 2021, we evolved the Framework created in 2018 to better reflect the relationships between our initiatives and our business strategies. Aligned with leading ESG methodologies, this new framework provides a **more complete picture of the work we do**, helps our stakeholders better understand our issue-specific approaches, and gives us a platform to announce a bolder set of goals and commitments.

2018 CR Framework



Updated ESG Approach



Our purpose is to build the digital highways that connect people, improve lives and develop our communities

This evolved framework was presented to investors in February of 2022, showing the continuity of the work being done under the Corporate Responsibility Fundamentals and responsible Leadership in Action, are now grouped under Environment, Society and Governance. Policies, practices and targets¹ that guide us on how to conduct business in the right way. For more information on our Corporate Responsibility performance and approach during 2021, please refer to our [2021 Annual Report](#).

¹Our progress against our ESG new targets is reported annually in our 2021 Annual Report.

Sustainability Bond Framework

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

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

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

Use of Proceeds

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

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

1. Projects with Environmental Benefits: Energy Efficiency

- Datacenter: \$7.3 million

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

- Fixed network rollout and upgrade: \$97.0 million
- Mobile and network rollout: \$63.1 million
- Spectrum acquisition and renewal: \$38.5 million

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


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

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

1. Projects with Environmental Benefits:

Energy Efficiency

These investments are aimed at increasing 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
<p>Data centers</p>	<p>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.</p>		<p>Power Usage Effectiveness (PUE), Energy Consumption Reduction and Energy efficiency</p>	<p>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 Datacenter in Santa Cruz. During 2021 and as a consolidation of the best practices implemented since design stages, the Datacenter received the CEEDA Certification in 2021. The CEEDA Certification (in Spanish, CERTIFICACIÓN DE EFICIENCIA ENERGÉTICA PARA DATA CENTERS) includes 90 best energy practices to improve the energy efficiency. The migration process is underway and scheduled to be completed by 2024, with the final decommission of the legacy site.</p>
<p>Network modernization and General and Operational Efficiency</p>	<p>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.</p>			<p>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.</p>

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.

PROJECT	DESCRIPTION OF PROJECTS	SOCIAL OBJECTIVES	SDG	METRIC	IMPACT
Mobile network rollout	Investments to provide access to mobile voice and data services directed to expand coverage to broader populations in Bolivia, El Salvador, and Paraguay.	Unconnected or underserved populations through expansion and upgrading mobile and fixed networks that can support new technologies such as 4G. Optimizing spectrum bands expand coverage and ensure a higher quality of service.		Data users and 4G net adds	Deployed 4,917 4G points of presence enabling the connection of 2.9 million 4G data users since 2017. ³
Fixed network rollout and upgrade	Investments in fixed network to increase broadband penetration.	Millicom's investments in spectrum add to the company's objective of improving mobile connectivity and expanding coverage to more people.		Homes passed, Customer relationships ⁴	Within our fixed network coverage increase, we enabled connectivity to approximately 845,000 homes (also called homes passed) and connected 550,515 families since 2017.
Spectrum acquisition and license renewal	As Millicom's coverage increases and Millicom continues to migrate to newer technologies (e.g. 4G), the company needs to acquire spectrum in different bands to support services in Paraguay.			Population coverage	During 2021, we increased 4G population coverage to 81%.

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

⁴Formerly "homes connected".

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


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

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

Empowering Women

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	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.		Women trained in digital skills, digital financial inclusion through the <u>Conectadas</u> program	Paraguay	Despite ongoing pandemic-related challenges, 4,664 women were trained between Oct-2020 and Dec-2021. Around 1,000 of them were women living in vulnerable communities. Outreach was possible thanks to partnerships with NGOs like TECHO and FUNDACIÓN CAPITAL, and the Paraguayan Ministry of Child and Youth. Conectadas program also served as a tool in Tigo Telecenters around the country, where many women took their first steps in technology through this training.
				El Salvador	During 2021, we trained 8,432 women, including approximately 400 Salvadoran women from the Tigo value chain (Tigo Money agents and owners of points of sale and activation from more than 60 municipalities) who received entrepreneurship training. New allies and partners helped drive the expansion, including the Economic Competitiveness Project of the United States Agency for Development (USAID), the Business Foundation for Social Action (FUNDEMÁS), Banco Agrícola, Fedecredito, La Constancia, Belcorp, Vogue, UN Women and local media.
	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.	Bolivia	Continuing its successful partnership with Crecer IDF Foundation's microfinance program, 89,474 women received training on digital tools to launch or grow a small business.
				El Salvador	The “Women in Value Chain” program was integrated with the Tigo Money Agents detailed above.

Protecting Children

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	COUNTRY	IMPACT
Protecting Children	<p>Conectate Segur@ The purpose of the project is to help create a safe and positive online environment for children, teaching children, adolescents, families, teachers and caregivers about the dangers and opportunities related to the internet and digital technology and providing training to teachers on Child Issues/Rights. The trainings are given by qualified company volunteers. Children who do not have access to the internet are at a disadvantage to those that do. Access is just the first step but helping them understand how to use the tool for their development and education in a safe manner is key to help them thrive in the digital world.</p>		Schools and students reached through trainings	Paraguay	<p>52 additional employees received 9 hours of Child Online Protection training, becoming new ambassadors of the Conectate Segur@ program to deliver workshops with children or adolescents.</p> <ul style="list-style-type: none"> • 207 children and adolescents and 156 parents and caregivers participated in workshops. <p>Due to the pandemic, a new program was designed in response to the pressing need of teachers to transition to online environments. The program, named "<u>Maestros Conectad@s</u>" (<u>Connected Teachers</u>) provided teachers with trainings on digital tools and soft skills to deliver classes online.</p> <ul style="list-style-type: none"> • 10,264 teachers completed the Maestr@s Conectad@s Program.
				El Salvador	<p>While the main focus to benefit children continued to be the teacher training, over 400 children and adolescents and 6,979 parents and caregivers received Child Online Protection training.</p>
				Bolivia	<p>5,530 children and adolescents and over 190 parents and caregivers received Child Online Protection training.</p>

Connecting Communities

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	COUNTRY	IMPACT
<p>Connecting Communities</p>	<p>Tigo in your Community The program seeks to strengthen the quality of education for children and youth, providing digital learning centers, trainings in the use of information technology, programming skills, robotics and child online protection to students and teachers, and improving school infrastructure</p>		<p>Institutions impacted and individuals benefitted by connectivity and refurbishing or installation of infrastructure</p>	<p>Paraguay</p>	<p>Telecenters are community centers with computer equipment and teachers to educate students, parents, and teachers per year on digital literacy and tools, computer and programming skills, robotics and child online protection, and foster community-building and interaction. As of the end of 2021, there are more than 180 telecenters installed by Tigo in several locations throughout Paraguay through which: 35,000 students have access to technology and over 2,000 teachers have telecenters available in their schools as educational tool. Furthermore, in 2021 the Tigo Paraguay launched the first programming competition between Tigo Telecenters, with more than 750 students as participants. Finally, 1,964 schools and 482 public institutions were provided connectivity as of the end of 2021.</p>
				<p>El Salvador</p>	<p>No refurbishing or installation of infrastructure in schools were done. 62 schools were provided with connectivity.</p>
				<p>Bolivia</p>	<p>No schools or public institutions were provided with connectivity.</p>

Sustainability in Millicom’s Supply Chain

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	COUNTRY	IMPACT
Sustainability in Millicom’s Supply Chain	The purpose of the program is to integrate sustainable practices in Millicom’s key suppliers’ practices and operations by training them on topics such as Health & Safety, Anti Bribery and Anti-Corruption (ABAC), Fair Labor Practices, Child Rights and Eco-Efficiency. Suppliers, with emphasis on those with lower scores on sustainable procurement platform, are required to develop Corrective Action Plans which are monitored by the company.		Train 20 suppliers annually on key sustainability issues which impact Millicom and suppliers	Paraguay	The supplier training program resumed in 2021 with a revamped e-learning curriculum available region-wide. The program reached 78% of all suppliers with spend of more than \$1M; a total of 69 suppliers for the three countries combined.
				El Salvador	
				Bolivia	