



Sustainability Bond: 2022 Investor Progress Report

Letter from CEO

I am pleased to present our 2022 Sustainability Bond Progress and Impact Report. Our purpose of building digital highways that connect people, improve lives, and develop communities continues to be the premise by which we allocate your investments. 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 in recent years. Connectivity is also key for economic recovery in the region, as per a [report](#) we commissioned by Dr. Raul Katz, a 10% increase in the penetration of unique mobile broadband users results in a growth in GDP per capita of 1.7%.

Our first Sustainability Bond, launched in 2019, was the first of its kind in Latin America. We have since launched a second sustainability bond in January 2022. Through these successful experiences, 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.

In 2022, the [Science Based Targets initiative](#) (SBTi) validated Millicom's carbon emissions reduction targets. Millicom has long focused on environmentally sustainable business practices, but to achieve its SBTi targets, it must cut greenhouse gas emissions by half by 2030 – and drop to net zero by 2050. Millicom has committed to reducing absolute scope 1 and 2 GHG emissions by 50% by FY2030 and absolute scope 3 GHG emissions by 20% by FY2035, both from a FY2020 base year. 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

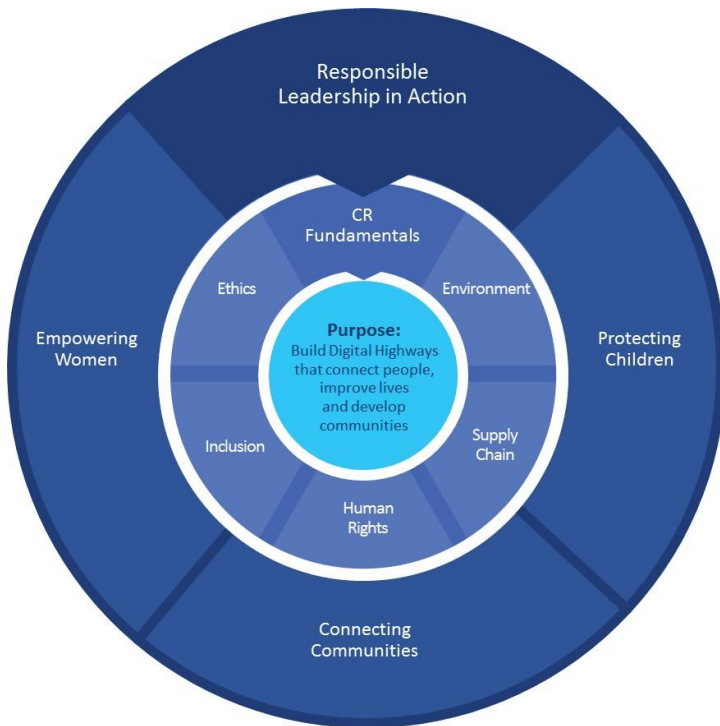
Chief Executive Officer

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 around 50 million customers in Latin America under the Tigo brand, with a fiber-cable footprint of close to 13 million homes passed.

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 2022, please refer to our [2022 Annual Report](#).

¹Our progress against our ESG new targets is reported annually in our 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 our first 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. Reporting of our Sustainability Bonds progress includes information from our fully owned subsidiaries only. Given various acquisitions in recent years this means we included reporting from Nicaragua since 2019; Guatemala and Panama since 2022, while we have always excluded reporting from Colombia and Honduras.

Use of Proceeds

For the SEK 2 billion notes due May 2024 (approximately \$214 million)¹, the Sustainable Bond Committee approved the allocation of 2 billion SEK to finance and refinance Social and Environmental projects identified under the Sustainability Framework as detailed also in previous progress reports. As of the date of the publication of this report, this bond has now been fully repaid.

As Millicom continues its journey to further develop the digital highways in Latin America, the company issued a second sustainability bond in January 2022 for SEK 2,250 million due in January 2027, for which the Sustainable Bond Committee approved the allocation of 2,250 million SEK (approximately \$250 million)² finance and refinance Social and Environmental projects identified under the Sustainability Framework. Further details of each of these projects can be found in the next pages:

These investments have had the impacts described below:

1. Projects with Environmental Benefits: Energy Efficiency

- Datacenter improvements: **\$22.5 million**

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

- Network rollout and coverage expansion: **\$179.8 million**
- Spectrum acquisition and renewal: **\$46 million**

3. Projects with Social Benefits: Flagship Social Projects Facilitating Socio-economic Advancement and Empowerment **\$1.7 million; 25,909 hours**

- Empowering Women

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

² Exchange rate 31 Dec 2022 (1 USD = 10.4283 SEK)

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- Connecting Communities
 - Protecting Children
 - Sustainability in Millicom’s Supply Chain
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1. Projects with Environmental Benefits:

Energy Efficiency

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

PROJECT	DESCRIPTION OF PROJECT	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>We have completed the development of two Data Centers in Guatemala and Paraguay, designed to operate at PUE 1.5 and with an estimated energy reduction of 20% compared to our previously existing traditional data centers in those countries; both Data Centers are already UPTIME Tier III Design certified.</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.</p> <p>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.</p> <p>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.</p> <p>Thanks to proceeds from sustainability bonds and own funds we have been able to deploy 12,555 4G points of presence.</p> <p>As result of the network modernization, 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. Millicom's investments in spectrum add to the company's objective of improving mobile connectivity and expanding coverage to more people.		Data users and 4G net adds	Deployed 12,555 4G points of presence since 2017. ³
Fixed network rollout and upgrade	Investments in fixed network to increase broadband penetration.			Homes passed, Customer relationships ⁴	Within our fixed network coverage increase, we enabled connectivity to approximately 33million homes (also called homes passed) and connected nearly 15 million homes 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 2022, our 4G population coverage reached 78.1% ⁵

³ Reporting of our Sustainability Bond progress includes information from our fully consolidated operations. Given various acquisitions in recent years, this means we have included reporting from Nicaragua since 2019; Guatemala and Panama since 2022, while we have always excluded reporting from Colombia and Honduras.

⁴ Formerly "homes connected". Previous reporting of this number included information for specific projects in El Salvador, Paraguay, and Bolivia only. We are now reporting on all our consolidated operations.

⁵ Previous reporting of this number included information for specific projects in El Salvador, Paraguay, and Bolivia only. We are now reporting on all our consolidated operations.

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
<p>Empowering Women</p>	<p>Connected women Training program specifically for women in the uses and advantages of ICT. Reducing the gender gap in the usage of mobile phones, internet, and mobile money, with the goal of bringing women into the digital economy.</p>		<p>Women trained in digital skills, digital financial inclusion through the <u>Conectadas</u> program</p>	<p>Paraguay</p>	<p>The Conectadas program and the launch of its digital platform in April 2022, allowed us to train 1,478 women in Paraguay in 2022.</p> <p>The courses offered by the platform are: Social networks, Social networks for my business, Personal finance and Finance for my business. We have 2 versions of the program in Paraguay:</p> <p>Through the alliance with FUNDAK, we invite women from all over the country to be part of the program and receive training on the platform, which are complemented by workshops in zoom sessions on the importance of formalizing their businesses.</p> <p>On the other hand, through an alliance with the CIRD, we train women who own businesses that are part of Tigo's value chain, selling products or services of the brand. In addition to the content offered by the platform, the women in this group receive additional content and personalized technical assistance in person to put the knowledge they have acquired into practice.</p>

				<p>El Salvador</p>	<p>At the regional level during 2022 we trained 171,059 women, including approximately 7,232 Salvadoran women from the Tigo value chain (Tigo Money agents, owners of points of sale and activation of more than 92 municipalities) 1,711 women participated in a business strengthening program in digital education in order to support empowerment and digital inclusion. Talks on digital citizenship were given to 5,000 women, contributing to closing the digital and financial gap for women. The program was carried out with the support and promotion of our strategic ally FUNDEMAS and USAID.</p>
	<p>Mobile Financial Services Promoters Certification. The project aims to develop a sustainable and comprehensive business model for Tigo Money agents, certified as Mobile Financial Services Promoters, and at the same time, will grow their businesses.</p>		<p>Build on “Women in Value Chain” above and establish the first business model that includes mobile financial services and women empowerment.</p>	<p>Bolivia</p>	<p>During 2022, together with Institución Financiera de Desarrollo, Crecer IFD we trained 103,289 women in the use of mobile wallets, social networks, educational and business applications.</p>
				<p>El Salvador</p>	<p>The “Women in Value Chain” program was integrated with the Tigo Money Agents detailed above.</p>

Protecting Children

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	COUNTRY	IMPACT
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>194 employees received 5.5 hours of training in Online Child Protection, becoming new facilitators of the Conectate Segur@ program to give workshops with children and adolescents.</p> <p>During 2022, in Paraguay we trained 1,553 children and adolescents. 232 teachers, parents and caregivers participated in the workshops. Following the pandemic, we implemented the Maestr@s Conectad@s digital education program in response to the need to strengthen the digital skills of teachers in the region. In June 2022, we launched the new digital platform "Maestr@s Conectad@s" that offers teachers training on digital tools and interpersonal skills to teach online and face-to-face classes.</p> <p>During 2022, 5,864 teachers in Paraguay completed courses from the Maestr@s Conectad@s platform.</p>
				El Salvador	<p>During 2022, more than 755 children and adolescents received training in Online Child Protection.</p> <p>Through our Maestr@s Conectad@s program, which aims to strengthen the knowledge of teachers, education trainers, training in the use of digital education tools, related to the humanization of technology. It was possible to train 9,244 teachers in the Maestr@s Conectad@s platform.</p>
				Bolivia	<p>6,187 children and adolescents received our Child Online protection training.</p> <p>59,444 teachers were trained in the Maestr@s Conectad@s program. Nearly 2,000 of these attended a large face-to-face teacher event in August.</p>

Connecting Communities

PROJECT	DESCRIPTION OF PROJECTS	SDG	METRIC	COUNTRY	IMPACT
Connecting Communities	<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>	Paraguay	<p>Telecentres are computer-equipped centers staffed by instructors. They aim to educate students, parents, and teachers on literacy and the use of digital tools, programming and robotics skills workshops, and online protection workshops.</p> <p>By the end of 2022, we had 200 telecentres installed by Tigo in different locations throughout Paraguay through which 155,912 students have access to technology and the internet as tools for their education.</p>
				El Salvador	No refurbishing or installation of infrastructure in schools were done.
				Bolivia	No schools or public institutions were provided with connectivity.

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.	All operations except Colombia and Honduras.	<p>The supplier training program resumed in 2021 with a revamped e-learning curriculum available region-wide.</p> <p>In 2022, the program reached 84% of all suppliers with spend of more than \$1M and a total of 119 Suppliers (while an additional 56 suppliers were waived for passing a pre-assessment determining robustness of their ESG awareness and work).</p>