Environmental and Social Review Summary (ESRS)
Millicom International Cellular– Regional

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1. General Information of the Project and Overview of Scope of IDB Invest's Review

The purpose of the transaction is to finance capital investments that will support the deployment of 5G mobile and broadband infrastructure, as well as the expansion of Millicom International Cellular's ("Millicom", "MICSA" or the "Company") Business-to-Business segment in its operating markets (the "Project").

The environmental and social due diligence ("ESDD") process included interviews and meetings with representatives from the Company's Human Resources, Environmental, OHS, and Compliance areas, as well as the review of the environmental and social ("E&S") and occupational health and safety ("OHS") information provided by the Company.

To ensure the Project's commitment to respect and protect human rights, its zero tolerance for retaliation, and its commitment to providing and guaranteeing a safe environment for stakeholders to voice their concerns without fear of retaliation, the ESDD process also included the review of the following documents: i) Code of Conduct; ii) Human Rights Policy; iii) Supplier Code of Conduct; iv) Child Labor and Young Workers Policy; and v) MICA's Speak Up Policy.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation under IDB Invest's Environmental and Social Sustainability Policy, as it may generate impacts of medium intensity, including: (i) risks to workers' health and safety; (ii) generation of hazardous, non-hazardous, and electronic waste; (iii) consumption of resources such as energy, water, and refrigerant gases; and (iv) potential safety risks for nearby communities related to increased vehicle traffic.

The Performance Standards (PS) triggered by the Project are i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety, and Security.

3. Environmental and Social Context

3.1 General characteristics of the Project's site

Millicom International Cellular S.A, operating under the Tigo brand, is a leading telecommunications provider in Latin America with over 35 years of experience. Headquartered in Luxembourg, the Company delivers mobile, broadband, Pay-TV, and digital services across nine countries: Bolivia,

Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Paraguay. With more than 46 million mobile customers and a cable footprint reaching 14 million homes, MICSA builds the "digital highways" that enable connectivity, drive innovation, and support community development in the region. Its infrastructure footprint includes an extensive network of owned and leased fiber optic backbone and access lines across its markets, complemented by a portfolio of towers that are a mix of owned and leased assets.

3.2 Contextual risks

MICSA may be exposed to contextual risks across its Latin American footprint, including theft and vandalism of equipment and safety concerns for staff in remote or high-crime areas, as well as community opposition to tower installations related to perceptions of health or environmental impacts, and potential land-use conflicts when expanding networks into ecologically sensitive areas.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

MICSA has an Environmental and Social Management System ("ESMS") supported by corporate ESHS policies that are applied across all subsidiaries. In practice, ESHS management has been progressively decentralized, with each subsidiary responsible for implementing corporate policies in line with local regulations and operational realities. Several subsidiaries also maintain international certifications that strengthen this framework, including ISO 14001[1] in Costa Rica, El Salvador, and ISO 45001[2] in Colombia.

4.1.b Policy

MICSA has established overarching Environment, Social, Health, and Safety ("ESHS") policies that apply across all its operations. These policies are disseminated through the Company's corporate website and internal communication channels and are cascaded to all MICSA subsidiaries.

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and indirect impacts and risks

MICSA applies a structured risk management methodology that includes preparing matrices of environmental and occupational health and safety aspects, using a life-cycle approach that covers acquisition of goods and services, construction, operation, use, and end-of-life. Results are incorporated into operational controls and action plans at both corporate and subsidiary levels to ensure regulatory compliance and continuous improvement.

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[1] Environmental Management System certification.

[2] Health and Safety certification.

4.1.c.ii   Analysis of alternatives

Alternatives evaluated by MICSA focus on technology, siting, and construction methods. The Company assesses options such as expanding capacity through existing rights-of-way, co-locating equipment on existing towers, and prioritizing fiber optics over more energy-intensive technologies. Route selection incorporates environmental and social criteria to avoid sensitive areas, reduce vegetation clearing, and limit disturbance to nearby communities.

4.1.c.iii   Cumulative impact analysis

Given the nature of the Project, which involves telecommunications infrastructure with localized and site-specific impacts, no cumulative impact assessment has been carried out. Overall, the aggregated impacts of past, present and projects to be foreseeable implemented in the future are deemed to be not material.

4.1.c.iv   Gender risks

MICSA may be exposed to gender-related contextual risks across its Latin American footprint. These can include risks of workplace discrimination, harassment, or unequal opportunities in hiring and career advancement, particularly in male-dominated technical or field operations. In certain markets, women staff may also face heightened safety concerns when traveling to or working in remote or high-crime areas.

4.1.c.v   Gender Programs

MICSA has adopted a Diversity, Equity and Inclusion strategy supported by its Code of Conduct, which prohibits discrimination and harassment. The Company provides gender-responsive facilities such as safe sanitation, lactation rooms, personal protective equipment for pregnant workers, and safe transport where needed. It also runs leadership and mentorship programs to support women's advancement, with 37% of senior management positions held by women. Training on unconscious bias and inclusive leadership, awareness campaigns such as *Sin Etiquetas*, and a zero-tolerance approach to sexual harassment and gender-based violence through the Speak Up mechanism reinforce its commitment to gender equity.

4.1.c.vi   Climate change exposure

MICSA's projects, located all over the countries where it has activities, face exposure to climate-related risks such as extreme weather events, flooding, and other natural hazards that may disrupt infrastructure and service continuity. Aware of these risks, the Company has integrated climate considerations into its operations. In line with its Business Continuity Policy and related procedures, subsidiaries are required to identify, assess, and manage environmental threats that could affect operations, including through Business Impact Analyses (BIA) and the implementation of Business Continuity and Disaster Recovery Plans (BCP/DRP) that address scenarios such as natural disasters and extreme weather events..

Based on the assessment conducted for this purpose, the Project is considered aligned with the objectives of the Paris Agreement, in accordance with the analysis carried out under the IDB Group's Paris Alignment Implementation Approach.

4.1.d   Management Programs

MICSA has a corporate Health, Safety and Environmental Manual that sets minimum requirements on waste, emissions, incident reporting, emergency preparedness, occupational health, and high-risk activities. Subsidiaries implement aligned procedures covering contractor management, energy and resource use, OHS, and labor and social aspects.

4.1.e   Organizational Capacity and Competency

At the corporate level, Millicom has dedicated functions for Human Resources, Environmental Management, Compliance and Internal Control, but has not yet formally assigned a person responsible for dealing with OHS issues nor designated a focal point for the management of its ESMS. At the subsidiary level, each country has dedicated staff or consultants responsible for environmental, labor and OHS management.

4.1.f   Emergency Preparedness and Response

MICSA applies corporate requirements for emergency preparedness through its HSE Manual, which mandates site-level evacuation plans, fire marshals, drills, and procedures for medical emergencies and infectious diseases. At the subsidiary level, all operations maintain emergency response plans covering fires, fuel or chemical spills, natural disasters, and other operational risks, supported by regular training and drills to ensure readiness.

4.1.g   Monitoring and Review

At the corporate level, MICSA reviews consolidated ESHS indicators from subsidiaries and conducts risk-based internal audits to assess compliance and performance. At the subsidiary level, monitoring covers environmental aspects, OHS, and contractor performance through inspections, audits, and corrective action follow-up, with results reported to corporate for oversight.

To strengthen group-wide oversight, MICSA will establish a corporate-level procedure to systematically (i) monitor the ESHS performance of its subsidiaries, (ii) determine audit plans for subsidiaries where significant environmental, social, or OHS issues have occurred, and (iii) periodically report to senior management and relevant external stakeholders on ESHS matters.

4.1.h   Stakeholder Engagement

MICSA subsidiaries carry out stakeholder engagement as required by national regulation, including consultations with municipal authorities and communities during the siting and licensing of telecommunications towers, environmental permitting processes, and emergency response coordination with local agencies.

4.1.i External Communication and Grievance Mechanisms

MICSA maintains an external grievance mechanism through the Millicom Ethics Line, an independent 24/7 service that can be accessed via phone or online and is publicized on its corporate website.[3] The mechanism guarantees confidentiality, anonymity, and strict non-retaliation for complainers acting in good faith. Cases are analyzed individually, escalated to corporate level depending on their nature, and managed by the Ethics & Compliance Department.

4.1.j Ongoing Reporting to Affected Communities

MICSA discloses information about its E&S performance through its Annual Sustainability Report, Annual Report, and Sustainability Bond Progress Reports, as well as by information published on its corporate website. Publicly available indicators include energy consumption and efficiency, greenhouse gas emissions, water and waste management, as well as OHS data such as accidents and training hours.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

At the holding level, MICSA employs 769 workers, including 230 women, while at the group level Millicom has about 14,000 employees across nine Latin American markets.

4.2.a.i Human Resources Policies and Procedures

MICSA applies a Code of Ethics ("CoE"), a binding document that outlines the Company's commitment to fair working conditions in line with local laws and International Labor Organization ("ILO") standards, to safeguarding employee health and safety, and to respecting human rights as established in the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the Declaration on the Rights of the Child and Business Principles. The CoE is reviewed annually, and updates are communicated to all employees through internal channels and the Company's corporate website.

All workers have formal contracts, and subsidiaries comply with their respective national labor legislation. Payroll is managed by an external provider, with internal controls conducted before each payroll cycle to verify timesheets and compensation details.

4.2.a.ii Working Conditions and Terms of Employment

Worker rights are established in labor contracts and detailed in Internal Work Rules, as required by each jurisdiction, which inform employees about key aspects such as working hours, breaks, rest days, overtime, vacation, disciplinary practices, and causes for termination.

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[3] https://www.millicom.com/what-we-stand-for/governance/compliance/millicom-ethics-line/

4.2.a.iii   Workers' Organizations

MICSA recognizes workers' rights to form and join associations, in line with national labor legislation and the fundamental ILO conventions ratified by all countries where it operates. In this sense, the Company upholds the principle of freedom of association and guarantees that employees can exercise this right without fear of retaliation or reprisal.

4.2.a.iv   Non-discrimination and Equal Opportunity

MICSA's CoE prohibits discrimination, harassment, and retaliation on any personal grounds, and the Company promotes equal opportunity in recruitment, training, and career development while embedding diversity and inclusion into HR practices. At the group level, Millicom advances this commitment through a Diversity, Equity and Inclusion strategy, including awareness campaigns such as *Sin Etiquetas*, unconscious bias and inclusive leadership training, and mentorship programs to support women in leadership.

4.2.a.v   Retrenchment

Starting in 2023, MICSA implemented a restructuring plan to improve efficiencies, which has resulted in workforce reductions. In addition to complying with national legislation regarding dismissal and termination of employment, subsidiaries have implemented initiatives to support affected employees beyond legal requirements. To strengthen group-wide practices, MICSA will develop a corporate-level procedure documenting how subsidiaries should proceed with retrenchments, in accordance with both local legislation and international good practices.

4.2.a.vi   Grievance Mechanism

Employees can raise questions, complaints, or suggestions directly to their manager, Human Resources, or the Ethics & Compliance Department, or through the Speak Up Mechanism. Each operation designates a Local Investigator to handle cases such as harassment, workplace violence, or discrimination, with oversight from Human Resource and Legal to ensure compliance with the CoE and local law.

4.2.b   Protecting the Workforce

In line with the ILO fundamental conventions and local laws in the countries where it operates, MICSA explicitly prohibits forced and child labor, as well as any form of exploitation. Its Code of Ethics and Code of Conduct apply to employees, contractors, and suppliers, requiring compliance with minimum working age standards, voluntary employment, and fair working conditions. Subsidiaries are required to incorporate these standards into their Internal Work Rules and supplier contracts.

4.2.c   Occupational Health and Safety

The main OHS risks identified across operations include falls from height, road traffic accidents, and electrocution. MICSA has established a corporate framework for occupational health and safety that applies to both employees and contractors, reflecting the Company's commitment to safeguarding the life, health, and safety of its workforce, complying with applicable legislation, and fostering a culture of accident prevention. These risks are managed through legal compliance, contractor screening, mandatory induction and training, use of personal protective equipment, and specific procedures for high-risk activities such as work at heights, driving, electrical work, and confined spaces.

The Company maintains consolidated records and statistics on occupational accidents. In 2024, MICSA reported 264 lost time accidents (3,276 lost workdays) and three fatalities, resulting in a Lost Time Injury Frequency Rate ("LTIFR") of 6.27[4] and a Lost Time Injury Severity Rate ("LTISR") of 77.84.

4.2.d   Provisions for people with disabilities

MICSA does not discriminate against workers with disabilities, complies with applicable inclusion regulations, and currently employs 93 such individuals.

4.2.e   Workers Engaged by Third Parties

MICSA engages contractors across its operations, who are exposed to OHS risks such as working at height, doing electrical tasks, driving, and handling hazardous substances. To address these risks, contractors must comply with corporate standards, including risk assessments, provision of protective equipment, training on critical tasks, and reporting of incidents and near misses. Their performance is monitored at the subsidiary level through inspections, audits, and quarterly reporting, with non-compliance leading to corrective actions or contract termination.

4.2.f   Supply Chain

MICSA manages an extensive supply chain, working with several thousand suppliers across its nine Latin American markets. Supplier engagement is guided by the Supplier Code of Conduct, the Third-Party Due Diligence Policy, and the Global Contract Management Policy, which require compliance with labor, human rights, environmental, and ethical standards.

4.3   Resource Efficiency and Pollution Prevention

4.3.a   Resource Efficiency

MICSA implements measures to reduce electricity and water consumption across its offices and operational facilities. Energy efficiency actions include the installation of LED technologies and

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[4]   The US Department of Labor reported an average LTIFR of 6.43 for the telecommunications sector (Code NAIC 517) in 2023, which indicates that MICSA's consolidated rates are lower than the industry average.

automated lighting systems, constructive solutions such as double-glazed windows to optimize natural light and insulation, and the use of solar panels in mobile network sites.

4.3.a.i   Greenhouse Gases

MICSA's greenhouse gas ("GHG") emissions derive primarily from diesel and gasoline used in its vehicle fleet and backup power generators, as well as refrigerant gases, including limited use and phasing out of HCFCs.[5] In 2024, GHG emissions totaled 151,601 tCO$_2$e (Scope 1: 33,125; Scope 2: 118,476).

The Company has adopted targets approved by the Science Based Targets initiative[6] to reduce Scope 1 and 2 emissions by 50% by 2030, with a long-term goal of net zero by 2050. Reduction measures include energy efficiency, renewable energy deployment, and process optimization, supported by climate risk analysis in network planning and operations.

4.3.a.ii   Water Consumption

Although overall consumption is limited relative to other resources, subsidiaries implement efficiency measures such as optimized building design, reduced cooling demand, and awareness campaigns on responsible use.

4.3.b   Pollution Prevention

4.3.b.i   Wastes

MICSA subsidiaries generate various waste streams, including office waste, hazardous materials (oils, chemicals, batteries, inert residues), and electronic waste (e-waste). Waste is segregated at the source into non-hazardous, hazardous, inert, and e-waste categories, with clear labeling, safe storage, and strict controls against practices such as burning or unauthorized disposal. Group initiatives promote reuse, recycling, and circular economy practices, emphasizing digitalization to cut paper use, reverse logistics to recover and refurbish electronic equipment, and partnerships with certified recyclers for safe disposal.

4.3.b.ii   Hazardous Materials Management

MICSA subsidiaries handle limited amounts of hazardous materials such as fuels, oils, chemicals, batteries, and refrigerant gases under corporate standards. For this purpose, labeling, controlled storage, and the use of protective equipment to prevent exposure and spills are always required. Inventories of hazardous substances are maintained. Spill prevention and response measures are integrated into emergency plans.

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[5]   HCFCs (hydrochlorofluorocarbons) are chemicals, primarily used as refrigerants in air conditioning and refrigeration, that deplete the ozone layer and contribute to climate change.

[6]   The Science Based Targets initiative (SBTi) is a global partnership that works with companies to set emissions reduction targets in line with the latest climate science, helping them to limit global warming to 1.5°C.

4.3.b.iii   Pesticide Use and Management

The use of pesticides is not relevant to MICSA's business activities.

4.4   Community Health, Safety and Security

4.4.a   Community Health and Safety

MICSA's geographically dispersed infrastructure, including repeater towers and cabling, requires extensive ground transportation for maintenance and operations, which in turn generates significant road safety risks, particularly vehicle collisions.

To address these risks and protect both workers and surrounding communities, MICSA will develop a corporate-level Vehicle Management and Safety Procedure. This procedure will be applied by subsidiaries and will define responsibilities, mandate training, establish periodic inspections, set protocols for incident reporting, outline preventive maintenance requirements, and include compliance controls for fleet usage.

4.4.b   Security Personnel

MICSA subsidiaries hire private security companies to protect personnel, property, and assets. In higher-risk positions guards may carry firearms, while in lower-risk areas such as employee entrances or reception they are unarmed.

The Company requires all security personnel to review and sign its CoE upon hiring. Induction for the guards include training on human rights, environmental responsibility, community interaction, and customer service. MICSA's CoE and Human Rights Policy provides group-wide guidance and align practices with the UN Voluntary Principles on Security and Human Rights.

4.5   Land Acquisition and Involuntary Resettlement

MICSA and its subsidiaries have no history of illegal land appropriation, resettlement, or disputes with government agencies, and have not received complaints from communities regarding land matters.

The Project, however, is not expected to involve acquisition of new land or result in displacement or restrictions on access to natural resources.

4.6   Biodiversity Conservation and Natural Habitats

The Company has adopted corporate guidelines on biodiversity and landscape management that promote the protection of flora and fauna, though implementation across operations is still at a pilot stage.

The Project, however, is not expected to result in significant impacts on biodiversity or living natural resources.

4.7   Indigenous Peoples

The Project will not negatively affect any indigenous peoples.

4.8   Cultural Heritage

The Project is not expected to affect cultural heritage. That said, in cases where construction or civil works are subcontracted, MICSA subsidiaries require contractors to comply with local legislation on cultural heritage and apply chance find procedures.

5.   Local Access of Project Documentation

The documentation relating to the project can be accessed at the following link: https://www.millicom.com/what-we-stand-for/esg-reporting-center