The Annual Report, Sustainability Report and “2019 at a glance” together make up Swisscom’s reporting on 2019. The three publications are available online at: swisscom.ch/report2019

**Concept of “Simply using opportunities”**

In the city and in the country, at home and on the road – people everywhere in Switzerland can take advantage of the countless opportunities offered by the networked world. Swisscom wants to connect Switzerland and enable the Swiss public to benefit from the opportunities offered by digitisation.

The pictures in the 2019 Annual Report show the diversity of digital needs and how easy it is for people to make use of the opportunities available to them.

A big thank you to all who took time to pose for these photographs: Nina and Louis, 5th grade, Hagen primary school in Altdorf, Dominique Bausback, Malik Hashim, Claudia Lenzi, Nils Kessler, Patric and Tatjana Fischli with Anais, Laurence Brun from the Clinique de Genolier (Swiss Medical Network private clinic group) and Gérard Fornerod from Confiserie Fornerod.
Introduction

2019 in review ................................................................. 4
Stakeholders’ letter .................................................................. 5
Sustainable environment ......................................................... 7
Value chain, supply chain and key elements of corporate responsibility . 9
Stakeholder involvement ........................................................... 9
Stakeholders and strategic priorities ........................................... 11
Material issues ......................................................................... 13

Sustainability strategy

Sustainability strategy 2025 ............................................................ 15
2020 Sustainability Strategy – achievement of objectives .................. 16
Swisscom’s contribution to the SDGs ........................................... 18
Targets Table .............................................................................. 19
Sustainability – governance and implementation .......................... 21
Corporate ethics ........................................................................ 22
Management approaches within the Group .................................... 23

More for the people

Media skills and security ............................................................. 26
Accessibility .............................................................................. 27
More for the employees ............................................................. 28
Fair supply chain ...................................................................... 36

More for the environment

Energy efficiency and climate protection ......................................... 41
Sustainable use of resources and circular economy –
management approach ................................................................ 45
Sustainable supply chain – management approach .......................... 50
Overall assessment of 2019 .......................................................... 50

More for Switzerland

Investments in high-performance broadband provision –
management approach .............................................................. 53
Mobile telephony and society ....................................................... 55
Data protection .......................................................................... 57
Responsible towards society ....................................................... 58
Offerings in the healthcare sector ................................................ 59

About this report

Scope of the report ................................................................. 61
Reporting: procedure and organisation ........................................ 61
SGS verification ......................................................................... 63
GRI Index .................................................................................. 64

Glossary

Technical terms ........................................................................ 73
Other terms ............................................................................. 74
Sustainability terms ................................................................. 74
2019 in review

57,436 people trained in the responsible use of digital media.

Largest Swisscom solar installation put into operation
The new solar system on the roof of the headquarters in Worblaufen can cover the electricity needs of around 200 households.

The workplaces of 300,000 people were audited by Swisscom and checked for compliance with human rights law, employment law and the protection of occupational health.

4,935 schools connected to the Internet
Since 2002, Swisscom has provided all schools in Switzerland with free Internet access and numerous services.

Learning robots Thymio introduced five primary school classes to computational thinking in a pilot project.

80% more efficient cooling of mobile phone antennas in the future – thanks to an energy-efficient in-house innovation.

529,665 tonnes of CO₂ saved by Swisscom customers in 2019 through the use of Swisscom services.

Circular economy in action
Swisscom Mobile Aid gives old phones a second life. In 2019, 86,000 devices financed 430,000 meals for children in need.
Stakeholders’ letter

Dear Readers

2019 will be remembered as a year of change. It started with young people demonstrating, but concerns about the climate and the environment are now being discussed by society as a whole and have therefore found their way onto the political agenda. As Switzerland’s leading telecommunications and IT company, this is both a stimulus and a challenge for Swisscom. On the one hand, we see these developments as confirming our efforts to act responsibly towards the environment, people and society, which is something we have been doing with persistence and meticulousness for over 20 years. On the other hand, however, this newly awakened environmental awareness has also given rise to fears and scepticism about the technological progress that is being made in mobile communications. Swisscom takes these concerns about health and well-being seriously. We see it as our duty to enter into dialogue with the relevant stakeholders, to play an active part in research into new technologies, and to ensure transparency.

We are, however, convinced that technological progress will help to overcome and solve many of today’s challenges. Communication technologies and IT, together with state-of-the-art networks and infrastructures, are the key technologies of the future. Swisscom therefore invests around CHF 1.6 billion in network upgrades each year in Switzerland alone, which is fully in line with our vision of shaping the future in a networked world and making the opportunities this opens up available to everyone. It is, however, something we can only bring about if business and society agree on the path that should be taken and if the technologies employed are accepted. This is something we will need to work hard to achieve in the coming years.

What specifically have we achieved over the past calendar year?

- **Focus on energy efficiency**: Swisscom is devoting all of its efforts to further improving the energy efficiency of its networks, buildings and vehicles. It uses electricity from 100% renewable energies and is constantly working on improving the energy efficiency of its networks, e.g. through the use of more efficient cooling systems. It also promotes climate-friendly ICT applications for collaboration anywhere and at any time, for remote monitoring and optimisation of vehicles, machinery and buildings, and for more climate-friendly cities.
- **Empowering people**: Swisscom aims to exploit the opportunities and potential of technical networking. For many years, it has been committed to ensuring that users have the necessary skills to get the most out of the Internet, e.g. by offering courses for around 43,000 pupils, parents and teachers and ICT courses for senior citizens, all the while emphasising the accepted wisdom that communicating face to face will always remain the best form of communication.
- **Infrastructure is the key**: In 2019, Swisscom continued to push ahead with broadband expansion in Switzerland. Thanks to Swisscom, around 74% of all Swiss homes and offices are now connected to ultra-fast broadband, with
speeds of more than 80 Mbps. Around 67% of all homes and offices enjoy connections with speeds of more than 100 Mbps. In the field of mobile telephony, the nationwide coverage of the 4G/LTE network extended to 99% of the Swiss population by the end of December. 97% of the population is able to surf the Internet at speeds of up to 300 Mbps, over 72% at speeds of up to 500 Mbps, and some 27% at speeds of 700 Mbps. In addition, Swisscom rolled out its 5G network and is one of the first providers worldwide to offer fully standardised 5G networks. Furthermore, we also supplied more than 280 Alpine businesses with electricity and fast Internet, and provided 4,900 schools with fast and secure Internet free of charge.

- **Committed to dialogue:** Swisscom is convinced that the new 5G mobile communications standard will become the cornerstone of mobile digitisation. However, 5G technology – in Switzerland in particular – also serves as a surface upon which fears about health, the right to control the use of personal data, security and jobs are projected, despite the fact that 5G is only a further development of the technology we are already familiar with. In specific terms, the fifth generation of mobile communications uses familiar frequencies and signal characteristics but more powerful antennas and software. In addition, 5G technology is several times more energy efficient per amount of data transported than previous generations and allows intelligent applications to make our society more sustainable, which makes 5G essential.

Should we have paid more attention to public sensibilities when announcing 5G in the public domain? The answer is crystal clear: Yes. For example, we failed to take the opportunity to inform the public of 5G’s unrivalled energy efficiency or its numerous applications when it comes to managing complex systems – and therefore of the opportunities it brings for climate protection. We have an obligation in this regard.

Swisscom remains committed to ensuring that people in our country can take advantage of the opportunities and prospects offered by digitisation in a simple and effective way. This is the guiding principle on which the timetable for our sustainability work up to 2025 is based. We want to help people, the environment and Switzerland as a whole progress conveniently, securely and profitably.

Kind regards

Stefan Nünlist
Head of Group Communications & Responsibility

Res Witschi
Head of Sustainability
Sustainable environment

Swisscom attaches a great deal of importance to sustainability. Swisscom uses resources efficiently, thinks ahead and makes provisions for future changes. As a market, technology and innovation leader as well as a national infrastructure provider, Swisscom has very strong ties to Switzerland. These ties and the expectations of stakeholders such as customers, employees and federal authorities place high demands on Swisscom in terms of sustainability. Sustainable management and long-term responsibility are core values to which Swisscom is committed. These values are expressed in our vision, promise, corporate business strategy and code of conduct and are addressed in detail in the sustainability strategy.

The framework conditions for Swisscom’s sustainability strategy are determined by stakeholders’ expectations and Swiss legislation. A further important basis is the UN’s 2030 Agenda, which is the first comprehensive roadmap for sustainable development and serves as a guide to both the public and private sectors.

In the year under review, the Global e-Sustainability Initiative (GeSi), with Swisscom as its co-sponsor, revised the "SMARTer 2030" study and published it in September 2019 under the title “Digital with Purpose”. The study examines and evaluates the contribution that digital technologies make to the 17 Sustainable Development Goals (SDGs). The study:

• confirms that there is an urgent need for action, as the goals of Agenda 2030 will otherwise clearly not be met.
• identifies seven key digital technologies that have a positive and significant impact on the Agenda 2030 goals.

Opportunities and challenges provided by digitisation for Swisscom

The digitisation of society has an enormous impact on Swisscom’s actions and strategies. As Switzerland’s largest ICT provider, Swisscom plays a key role in influencing and accelerating the digitisation process. In discussions and surveys, interest groups have pointed out the risks and opportunities that digitisation brings. The following views serve as examples:

• Digitisation creates new jobs but also makes current jobs redundant.
• Artificial intelligence creates new possibilities but also raises concerns.

• Information and communication technologies play an important role in facilitating a sustainable way of life in metropolitan areas (SDG 11 “Sustainable Cities and Communities”), but also lead to an increase in the consumption of resources and energy.
• ICT technologies (networks, data centres, end devices) consume a lot of energy, but at the same time replace other energy-intensive and CO₂-intensive applications.
• 5G offers opportunities but is the cause of some uncertainty among sections of the public.

Swisscom is exploiting the opportunities offered by digitisation but remains aware of the risks. In order to devise solutions to frequently conflicting views, it set up a specialist unit for ethical issues as early as 2014. In the year under review, this body was replaced by a Data Ethics Board (DEB) with a broader composition. The new DEB has the task of dealing with and evaluating ethical issues relating to the processing of data in a uniform manner. It bases its actions and decisions on the following six maxims: no discrimination, respect for the rights of the individual, the right to control the use of personal data, transparency, responsibility and accountability, added value and benefits.

Can the sustainability and “smartness” of a city be measured?

To measure cities’ sustainability and “smartness”, the International Telecommunication Union (ITU) has joined forces with other UN organisations to found the U4SSC (United for Smart and Sustainable Cities) initiative. U4SSC has the task of defining measurement methods to promote sustainable and intelligent cities.

In collaboration with Swisscom, Pully (Canton of Vaud) decided to embark on the path to becoming a Smart City as defined by the U4SSC initiative. The city’s various municipal administrative departments collected data on around 100 indicators from business, the environment and society in order to assess the current situation. The indicators measured such things as the public transport provision, the unemployment rate, air quality, and the number of intelligent remote meters for water and power consumption. It became apparent from the indicator data collected and the certification by U4SSC that threshold or target values first need to be defined in order to classify the measured values in an effective manner. This called for laws, ordinances and regulations that could provide target values for each of the indicators evaluated. Following the determination of these target values, a report (U4SSC Verification Report of the City of Pully) was published in December 2019.


See www.indicateurs-u4ssc.pdf
Sustainable Development Goals

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals
Value chain, supply chain and key elements of corporate responsibility

Swisscom generates the bulk of its added value through its activities in Switzerland. In 2019, activities abroad accounted for 8% (prior year: 8%) of the Group’s added value from operations.

The added value statement and the distribution of added value are addressed in the Management Commentary of the Annual Report, in the “Financial review” section on page 44 ff.

Swisscom is associated with the Global e-Sustainability Initiative (GeSI) It is part of the Responsible Business Alliance (RBA) and thus indirectly affiliated with the Responsible Mining Initiative (RMI). This initiative aims to monitor the origin of conflict minerals more closely than in the past. Swisscom imports the products in question for final consumption in Switzerland. This importation has a positive and negative impact on the environment, the economy and society along the value and supply chains:

- The provision of consumer and investment items and their transport to Switzerland have ecological effects on the use of energy and resources as well as on CO₂ emissions.
- The provision of infrastructure and telecommunication services plays a role in ensuring Switzerland’s economic development and competitiveness.
- Using Swisscom services offers added value to customers but also entails certain technical and social challenges.
- Creating and maintaining jobs in Switzerland and within the supply chain has social and macroeconomic implications.

Swisscom’s supply chains for direct suppliers and subcontractors primarily cover Europe, the United States and Asia. They are part of the electronics sector, particularly in the entertainment electronics, data processing hardware and network equipment segments. The raw materials contained in Swisscom’s various products come from a wide range of countries and regions. Questions are increasingly being raised on the origin of the raw materials used and the associated environmental and sociological risks.

Stakeholder involvement

Swisscom fosters dialogue with its most important stakeholder groups both online and in person. The stakeholders selected are chosen based on the themes relevant to the sustainability strategy. The stakeholders surveyed have to be active in the core Swiss market. In 2019, as in previous years, Swisscom acknowledged the concerns of the various stakeholder groups and, for instance, took them into account in the implementation of its current sustainability strategy. In order to ensure the proximity to and continuous contact with the individual stakeholder groups, Swisscom set up its stakeholder group management as follows.

Internal analysis

- **Members of the Board of Directors/Group Executive Board:** In qualitative interviews, members of the Board of Directors and Group Executive Board address the challenges that ecological, social and governance issues present.
- **Sustainability team, internal contact partners and subsidiaries:** Line managers at all levels responded to
questions about the anchoring of the current strategy and their new expectations. This survey takes place every two years, most recently in 2018 and again in 2020.

- **Sustainability team**: The sustainability team works with the strategy team to analyse what contribution Swisscom’s core business and growth areas make to the sustainability of society and the environment. The results confirmed the external analysis: the greatest challenges that Swisscom will face in the future will be climate protection, ethical corporate management and the responsible handling of data.

**External analysis**

**Stakeholder event**

In spring 2019, 25 representatives of external stakeholder groups discussed major sustainability issues with Swisscom at a World Café. The discussion confirmed that Swisscom had identified the key issues and addressed them in its 2025 Sustainability Strategy. The three key findings from the discussion are the following:

- **Clarification about 5G**: There is uncertainty regarding the risks associated with the 5G mobile communication standard and some incorrect information is doing the rounds in the public domain. In response to this realisation, Swisscom has stepped up its efforts to create transparency and knowledge.

- **Training on topics relating to digitisation**: Teachers, schools and SMEs sometimes feel overburdened by digitisation (in particular, by issues surrounding technology and the digital transformation). In response, Swisscom is examining the possibility of offering digitisation labs for SMEs and schools as part of its Swisscom Academy. Swisscom transformation experts could teach courses on digitisation and how to transform organisations.

- **Creating more incentives for suppliers to reduce their CO₂ emissions**: Swisscom is a member of the Carbon Disclosure Project (CDP) RE100 programme. The CDP is a collaborative effort between all the companies which obtain their electricity from 100% renewable energy. Together with the CDP, Swisscom is motivating its suppliers to join the RE100 programme.

- The participants in the World Café greatly appreciated having the opportunity to exchange views directly with Swisscom. Based on the positive feedback it received, Swisscom intends to hold further discussion events involving its stakeholders in addition to its tried-and-tested stakeholder survey. The survey of major stakeholder groups, which is conducted every two years and covers the issues of radiation, the environment, society, the economy and now technology and ethics, was extended to a total of eight topics.

- **Trend scouting**: Swisscom did not carry out any trend scouting in the year under review, but plans to do so again in 2020.

- **Sustainable Development Goals (SDGs)**: Swisscom has analysed its contribution to the SDGs in detail. SDG 11 “Sustainable Cities and Communities” was identified as a particularly relevant goal with substantial business potential for Swisscom.
Stakeholders and strategic priorities

Swisscom engages in dialogue with stakeholder groups in proportion to the closeness of the relationship and the individual stakeholder group’s interests. The size of the respective stakeholder group is therefore a decisive factor in the kind of dialogue that is possible.

Customers
Swisscom systematically consults residential customers on their needs and their level of satisfaction. Customer relationship managers learn about customers’ needs through their direct contact with them. Swisscom also conducts regular representative surveys addressing the issues of reputation and customer satisfaction. One reason for this is to determine the extent to which customers perceive Swisscom as a company that acts responsibly when it comes to environmental and social issues. The surveys reveal what customers expect from Swisscom: good service, attractive pricing, market transparency, responsible marketing, careful handling of data, comprehensive network coverage, network stability, secure communication technologies and sustainable products and services.

Partners/NGOs
Swisscom believes in the importance of sharing insights and information with partners and NGOs within the framework of projects; for example, with myclimate, the Swiss Child Protection Foundation, WWF, Bread for all, Fastenopfer and organisations that address the special needs of individual groups (e.g. people with a sensory impairment). Partnerships and Swisscom’s social and ecological commitment are especially relevant for the partners and NGOs stakeholder group.

Investors and rating agencies
Besides the Annual General Meeting, Swisscom regularly fosters dialogue with shareholders at analysts’ presentations, road shows and in teleconferences. Over the years, it has also built up contacts with numerous external investors and rating agencies. Above all else, shareholders and external investors expect stability, profitability and predictability from Swisscom.

Public authorities and legislators
Swisscom is constantly exchanging information with various public authorities, such as the Federal Office for the Environment (FOEN), the Swiss Federal Office of Energy (SFOE), the State Secretariat for Economic Affairs (SECO) and the Federal Office of Communications (OFCOM). One of the key issues in its dealings with this...
stakeholder group is the expansion of the network infrastructure: mobile data applications are becoming increasingly popular among customers. Mobile communications are clearly appreciated and widely used, but the expansion of the infrastructure required to provide these services does not always meet with support. At present, this is particularly evident in connection with the expansion of the 5G network.

Network expansion can be a subject of dispute owing to the different interests at stake. Swisscom has been engaged in dialogue with municipal authorities and residents on network planning for many years. Where construction projects are concerned, it gives the parties affected an opportunity to suggest suitable alternative locations. Swisscom also liaises regularly with the relevant public authorities in other areas and on other occasions. For example, a particular focus is on discussions with the ICT managers of the cantonal education departments, which are held as part of the annual two-day seminar "Internet for Schools".

Swisscom addresses issues of political and regulatory relevance and is in regular dialogue with authorities, political parties and associations and makes a constructive contribution to the legislative process.

**Suppliers**
Swisscom’s procurement organisations regularly address issues concerning suppliers and supplier relationship management, analysing the results of evaluations, formulating target agreements and reviewing performance. Once a year, they invite their main suppliers to a Key Supplier Day. The focus of the event is on risk mitigation and responsibility in the supply chain. In the interests of maintaining dialogue with global suppliers, Swisscom also relies on international cooperation within the relevant sectors.

**Media**
Swisscom maintains close contact with the media and is available to them seven days a week. Its relationship with the media is based on professional journalistic principles. In addition to the Media Office, representatives of management maintain regular dialogue with journalists and make themselves available for interviews and more in-depth background discussions.

**Public**
We maintain contact with the public directly via the Swisscom website, through social media, through surveys of the public, at trade fairs and as part of events.

**Employees and employee representation**
Using a wide range of communication platforms and activities, Swisscom promotes a corporate culture that encourages dialogue and cross-collaboration between employees. The CEO and top management travel across Switzerland several times a year to meet with staff locally. Twice a year, Swisscom’s employees are able to share their opinions about their individual situations and issues concerning the company’s organisation. These surveys allow every employee and team as well as the entire organisation to respond to feedback and make improvements.

Helping to shape Swisscom’s future is one of the most important tasks of the Employee Representation Committee. This committee comprises 48 members (one representative for every 400 employees) distributed across seven representations. Twice a year, Swisscom organises a round-table meeting with the employee representatives. Employee concerns mainly relate to social partnership, training and development, diversity, and health and safety at work.

**Social partners**
Swisscom regularly exchanges information with its social partners. Our social partners include syndicom, the union for media and communications, and transfair, the public service staff association. Both are the dialogue and negotiating partners for matters relevant to the CEA and strategic participation.
Criteria for the classification of topics in the materiality matrix
Swisscom applied the following qualitative criteria for assessing the materiality of each of the sustainability topics for its activities and reporting in the year under review:
• Significance and relevance for Swisscom’s stakeholder groups.
• Importance with respect to Swisscom’s norms and standards (Vision, Values, Promise, Code of Conduct).
• Bearing on impacts caused by Swisscom.
• Effects on the company’s financial position, results of operations and reputation.

Classification of sustainability topics in the materiality matrix
The sustainability topics can be classified in a materiality matrix based on the impacts Swisscom’s activities have, the relevance of the topic to Swisscom’s business strategy and the topic’s importance for stakeholder groups. They are assessed by the internal contacts of the respective stakeholder groups as to their significance and scope. The issues are also discussed by other bodies such as division management or the Group Executive Board. If necessary, these bodies initiate appropriate measures. Furthermore, the results of the stakeholder survey are also passed on to division management and the Group Executive Board. The feedback from the stakeholders confirms the results of the previous survey, especially in relation to digitisation. Stakeholders see the opportunities and risks of digitisation and expect Swisscom to play an active role in this regard. Interest groups raise ethical questions and demand good conduct.

In 2019, Swisscom modified and fleshed out the materiality matrix in line with the responses from the stakeholder surveys. The names of the main topics were amended or made clearer. Some topics (e.g. energy efficiency and climate protection) were separated from each other, while others were removed from the matrix altogether because Swisscom’s impact on the relevant topic proved to be too limited.

Compared with 2018, Swisscom has, for example, added the topic of mobile communications and society to the quadrant of the materiality matrix that is of high relevance both for stakeholders and for Swisscom, in response to the more intensive discussion on the benefits and health risks of mobile communications that took place in 2019.

In addition, Swisscom has separated the issue of climate protection from that of energy efficiency and, due to the significant increase in public concern in 2019, has also included the former in the quadrant that is highly relevant both for stakeholders and for Swisscom. Swisscom had already taken the issue of climate protection very seriously in previous years.

Some terms were also amended. They now correspond to the terms commonly used in current discussions, such as employability instead of training and further education.
or mobile communications and society instead of low-radiation communication technologies.

Swisscom has recently added the topic of stress in the workplace and resilience to its list of topics – with particular reference to digitisation, which is bringing about a more and more fast-paced working environment and places a lot of demands on many employees.

Swisscom has also omitted terms from the materiality matrix that already form part of its overall sustainability efforts. These include governance and the SDGs and Agenda 2030. The relationship between the sustainability strategy and the SDGs is discussed in the section below.

Vision

As number 1, we are shaping the future. Together we inspire people in the networked world.

Values

<table>
<thead>
<tr>
<th>Trustworthy</th>
<th>Committed</th>
<th>Curious</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are close to our customers and staff and act in a responsible and reliable manner.</td>
<td>We pursue our goals with passion and we focus on what’s important.</td>
<td>We are continually developing and always grasp new opportunities.</td>
</tr>
</tbody>
</table>

See www.swisscom.ch/strategy
Swisscom takes responsibility seriously – now and in the future. To this end, it relies on its sustainability strategy and its associated priorities. Swisscom has also integrated the United Nations’ Sustainable Development Goals (SDGs) into its sustainability strategy, and in 2018 drafted its sustainability strategy for the period up to 2025. Swisscom will uphold its commitment to sustainability and remain faithful to the priorities of its current strategy, but will better accentuate them and embed them in the divisional strategies.

Sustainability strategy 2025

This section addresses the objectives and measures of the Sustainability Strategy 2025 in detail. Swisscom’s corporate strategy is laid out in the section “Strategy and environment” on page 14 of the Management Commentary of the Annual Report.

Digitisation is having an ever-greater impact on the economy and society over time. As Switzerland’s leading ICT company, Swisscom bears a special responsibility in this respect. It has to realise opportunities that could improve the country’s standard of living, while keeping a careful eye on potential risks. In other words, it must fulfil its role of bringing about progress with a keen sense of both responsibility and curiosity.

Swisscom is now addressing three core challenges of the digital information society in depth:

- The digital skills of people living in a networked world have to be honed. While technologies advance at great speed, people’s skills do not simply change without help. Almost every aspect of life now requires people to have the ability to relate competently to a digital “other” – whether it’s as schoolchildren, fathers and mothers, politicians, pensioners or citizens. In particular, those who are embedded in a value creation chain have no option but to keep pace with the demands of a networked world.
- Protecting the global climate requires decisive action. Climate change is a global problem of the first order, with repercussions that are having an ever-greater impact on Switzerland with every passing year. All countries must contribute in major ways to climate protection. Digitisation brings with it promising opportunities for this purpose.
- Reliable, secure infrastructure is fundamental to Switzerland’s competitiveness and quality of life.

More for the people
From now until 2025, we will support 2 million people per year to develop their skills in the networked world and within our supply chain.

More for the environment
Together with our customers, we are reducing net CO₂ output by 450,000 tonnes. This corresponds to 1% of Switzerland’s greenhouse gas emissions.

More for Switzerland
We provide all people and businesses in Switzerland with reliable ultra-fast broadband. By doing so, we are making Switzerland a more competitive country and a better place to live.

Sustainability strategy 2025

© See www.swisscom.ch/sustainability
In response to these challenges, Swisscom has formulated three strategic priorities and associated objectives with the aim of contributing to the well-being of people, the environment and Switzerland as a nation:

**More for the people**
Swisscom enables people in Switzerland to make use of the opportunities presented by a networked world. Swisscom is helping 2 million people by supporting the development of their digital skills and improving working conditions in the supply chain, a focus it will maintain until at least 2025. Swisscom is also training around 900 apprentices.

The “More for the people” objective includes Swisscom’s commitment to ensuring that Swisscom’s services are accessible to people with disabilities. It also includes Swisscom’s activities as a responsible employer.

**More for the environment**
Swisscom cares about the environment. It is working with its customers to reduce its CO₂ emissions by 450,000 tonnes. This corresponds to 1% of Switzerland’s greenhouse gas emissions.

The “More for the environment” objective encompasses more than just cost-cutting measures to reduce its own emissions from buildings, vehicles, networks, data centres and within its own supply chain, but also Swisscom’s efforts to develop and promote services that enable people in Switzerland to lead a more climate-friendly lifestyle. These include Swisscom services for Work Smart, for the remote monitoring and optimisation of vehicles, machines and buildings and for climate-friendly cities.

**More for Switzerland**
Swisscom uses the best networks and progressive solutions to create added value for its customers, employees, shareholders and suppliers, as well as for Switzerland as a whole. It provides individuals and businesses with reliable ultra-fast broadband, thus making Switzerland a more competitive country and a better place to live. The “More for Switzerland” objective includes Swisscom’s commitment to stable and secure access to the Internet and the provision of free access to the Internet that Swisscom offers all schools in Switzerland.

These three objectives are also in compliance with the company’s overall goals and the 17 Sustainable Development Goals of the United Nations (SDGs).

**2020 Sustainability Strategy – achievement of objectives**

The achievement of the objectives of the 2020 Sustainability Strategy, which has now been completed, is described below.

**Energy efficiency and climate protection**
Swisscom wants to further increase its energy efficiency by 2020. Together with its customers, Swisscom campaigns for climate protection in Switzerland.

**Main objective:** By 2020, Swisscom wants to increase its energy efficiency by 35% as compared to 1 January 2016.

Together with its customers, Swisscom is aiming to save twice as much CO₂ as it emits through its operations – including its supply chain – by 2020.

Together with its customers, Swisscom has continuously improved the ratio of CO₂ savings achieved through the use of ICT services versus the corresponding emissions. In 2019, the ratio was 1.48. Swisscom therefore has yet to achieve the target set for 2020. Swisscom is called upon to develop additional services for climate protection and reduce emissions in the supply chain.

The 2025 Sustainability Strategy continues to use the ratio of savings to emissions as a yardstick and formulates even more ambitious targets. Swisscom has agreed on its energy efficiency target up to the end of 2020 with the Energy Agency of the Swiss Private Sector, and is maintaining its efforts to achieve this objective.

**Work and life**
Swisscom is committed to promoting a Switzerland worth living in.

**Main objectives:** By 2020, Swisscom wants to help 1 million people to take advantage of mobile working models and another million to lead a health-conscious lifestyle.

Swisscom has already achieved this objective and, as a result, has helped over 1 million people to take advantage of mobile working models and encouraged another 1 million to lead a health-conscious lifestyle.

The goal of mobile working has been incorporated into the climate protection goal in the 2025 Sustainability Strategy. Swisscom is, however, no longer pursuing its health target and instead is concentrating on digitising the health industry and subordinating the aim of improving the population’s health-related behaviour to this objective.

**Media skills and security**
Swisscom is committed to promoting a Switzerland in which browsing the Internet does not pose a threat.

**Main objective:** Swisscom wants to help 1 million people use media safely and responsibly by 2020. By the end of 2019, Swisscom had helped 561,494 people use media safely and responsibly. It exceeded its target, because digital learning units such as help videos and webinars have gained in importance and reached ever-greater numbers of customers.
The goal of enhancing the media skills of users will be maintained in the 2025 Sustainability Strategy under the “More for the people” objective.

**Responsible employer**
Swisscom is committed to promoting a working environment in which all employees can grow and excel.

**Main objective:** Swisscom wants to achieve a leading position within the ICT sector as a popular employer and is aiming to be ranked number 2 by Universum.

Swisscom remains one of the most attractive employers in the ICT sector. In the 2019 “Universum” rankings, Swisscom was ranked third among people in employment and fourth among students. This objective will continue to be pursued as an internal goal. As it is not a major issue for our stakeholders, it will no longer be published in this report.

The issue of being a responsible employer is covered by the goals relating to diversity, work stress and resilience in the 2025 Sustainability Strategy under “More for the people”.

**Fair supply chain**
Swisscom is committed to promoting a Switzerland that fosters fairness throughout the world.

**Main objective:** Swisscom wants to increase the number of audits conducted at its suppliers in order to allow around 2 million employees to benefit from improved working conditions.

By the end of 2019, Swisscom had helped 300,000 people improve their working conditions, although it has not yet met its target. However, the audits it carried out jointly with 16 other telecommunications companies, which introduce binding improvements for suppliers, are regarded as a successful model that can be applied far beyond the telecommunications industry.

The “Fair supply chain” target will be continued in the 2025 Sustainability Strategy under the “More for the people” objective.

**Networked Switzerland**
Swisscom is committed to promoting a Switzerland that is competitive.

**Main objective:** Swisscom guarantees ultra-fast fixed-network and mobile broadband coverage throughout Switzerland. It aims to supply 90% of all homes and offices with ultra-fast broadband and 99% of the population with ultra-fast mobile broadband by 2021. Through its investments in Switzerland, Swisscom is making an indirect contribution to the country’s GDP of around CHF 30 billion over the period from 2014 to 2020 – in addition to direct added value – and is thus contributing to the creation and preservation of jobs in Switzerland.

By the end of 2019, Swisscom had supplied around 74% of all homes and offices with ultra-fast broadband and 99% of the population with ultra-fast mobile broadband. It has therefore already achieved the targets set for 2021.

From 2014 to 2020, Swisscom made an indirect contribution to gross domestic product of around CHF 35 billion in addition to direct added value – and thus met the target set for 2020.

The “Networked Switzerland” target, as it relates to the expansion of the ultra-fast broadband network, will be pursued further in the 2025 Sustainability Strategy under the “More for Switzerland” objective. The objective of making an indirect contribution to gross domestic product will no longer be pursued, however, as the methodology for collating these indirect contributions is outdated and is becoming increasingly unclear to our stakeholders.

**Sustainability image**
Swisscom wants to further improve its public image as regards sustainability.

**Main objective:** Swisscom wants to achieve an average annual RepTrak score for “Citizenship” of over 70. RepTrak is a standardised tool that enables the image of companies to be measured. The proportion of people who opt for “don’t know” when asked to assess Swisscom’s citizenship image should be reduced to under 10%.

The public’s assessment of Swisscom’s citizenship image suffered a setback during the year under review. Concerns about 5G technology affected the evaluations of the telecommunications industry as a whole. Swisscom’s assessment recovered in the second half of the year and eventually reached 66.4, with 21.7% of people opting for “don’t know”.

The 2025 Strategy will continue the “Citizenship” target within the framework of RepTrak as an internal goal. As it is not a major issue for our stakeholders, it will no longer be published in this report.
### Swisscom’s contribution to the SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>Swisscom’s contribution to the SDGs</th>
<th>Further information</th>
</tr>
</thead>
</table>
| SDG 2 | Promote the health of the population with offers in the area of health care. | • Offerings in the healthcare sector  
**Target:** More for the people, Work stress and resilience |
| SDG 8 | Promote the health of Swisscom employees through occupational health management as well as occupational health and safety. | • Occupational health and safety  
**Target:** More for the people, Diversity and Work stress and resilience |
| SDG 16 | Promote the populations’ media skills. | • Media protection for minors and promoting media skills  
**Target:** More for the people, Diversity and Work stress and resilience |
| SDG 4 | Contribution to the educational landscape in Switzerland by providing broadband Internet access for schools. | • Responsibility towards society; Education policy |
| SDG 10 | As a contribution to diversity and equality, the goal is to increase the proportion of women in management. | • Diversity and equal opportunities  
**Target:** More for the people, diversity |
| SDG 13 | Contribution to cheaper and cleaner energy with the offer tiko power, tiko Storage and virtual power plant in the sustainable portfolio. | • For private customers: smart energy  
• Climate protection through customers and portfolio |
| SDG 8 | Swisscom makes its contribution through measures to boost energy efficiency and climate protection within the framework of the sustainability strategy. | • Energy efficiency and climate protection |
| SDG 3 | Swisscom offers attractive jobs and working conditions. Swisscom’s long-term investments in network and infrastructure are a significant direct and indirect contribution to enhancing Switzerland as a place to do business. Swisscom contributes to improved working conditions in the supply chain. | • Recruiting and developing employees  
• More for Switzerland  
• Fair supply chain  
**Target:** More for people, fair supply chain  
more for Switzerland, coverage of Switzerland with fixed ultra-fast broadband |
| SDG 9 | Expansion of the network infrastructure and the sustainable portfolio. Participation in building up the CO₂ sensor network “Carbosense”. | • More for Switzerland  
• Basic service provision  
• Climate protection through customers and portfolio  
**Target:** More for Switzerland, coverage of Switzerland with fixed ultra-fast broadband |
| SDG 11 | Expansion of the portfolio for sustainable services, especially in the area of IoT and Smart City. | • Climate protection through customers and portfolio |
| SDG 13 | By expanding the sustainable portfolio and with initiatives to take back and recycle end devices, Swisscom is making its contribution. | • Climate protection through customers and portfolio  
• Circular economy |
| SDG 11 | Expansion of the portfolio of sustainable services for reducing CO₂. | • CO₂ savings due to ICT services  
**Target:** More for the environment, Reduction of CO₂ emissions by 450,000 tonnes by 2025 |
| SDG 11 | Swisscom makes its contribution through measures to boost energy efficiency and climate protection within the framework of the sustainability strategy. | • Energy efficiency and climate protection  
**Target:** More for the environment, Reduction of CO₂ emissions by 450,000 tonnes by 2025 |
**Targets Table**

The most important indicators for the achievement of Swisscom’s sustainability targets

<table>
<thead>
<tr>
<th>Focus of the sustainability strategy</th>
<th>2019 value</th>
<th>2025 target</th>
<th>2020 guideline value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>More for the environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Main target: Reduction of CO₂ emissions by 450,000 tonnes by 2025 (GRI 305-5, SDG 7)</strong></td>
<td></td>
<td>450,000</td>
<td></td>
</tr>
<tr>
<td>Together with customers, CO₂ emissions are to be reduced by 450,000 tonnes. This corresponds to 1% of Switzerland’s greenhouse gas emissions.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Limit CO₂ emissions from operations and in the supply chain by 2025 to 400,000 tonnes</strong></td>
<td></td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>Reduction of own emissions and those of the supply chain (Scope 1, 2 and 3).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KPI: CO₂ emissions Scope 1 (buildings and vehicles, without refrigerants)</strong></td>
<td>16,295</td>
<td>14,790</td>
<td></td>
</tr>
<tr>
<td><strong>KPI: CO₂ emissions Scope 2 (electricity, district heating, compensated)</strong></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>KPI: CO₂ emissions Scope 3 (supply chain, employee mobility, etc.)</strong></td>
<td>344,524</td>
<td>424,769</td>
<td></td>
</tr>
<tr>
<td><strong>2020 measures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Renovation of buildings and heating systems. Electrification of the vehicle fleet.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Efficiency measures for cooling the networks (Levante and Scirocco projects).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Promotion of participation of suppliers in Carbon Disclosure Project (CDP), individual supplier dialogue.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Measurement of employee mobility (MIP Mobility Insight Platform).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CO₂ reduction through customers and portfolio</strong></td>
<td></td>
<td>850,000</td>
<td></td>
</tr>
<tr>
<td>Savings through portfolio with the help of customers and services. Promotion and the development of services which allow people in Switzerland to lead environmentally friendly lifestyles.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KPI: CO₂ savings in tonnes</strong></td>
<td>529,665</td>
<td>609,143</td>
<td></td>
</tr>
<tr>
<td><strong>2020 measures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reduction of traffic through the promotion of home-office working, virtual conferences and new solutions.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focus of the sustainability strategy

More for the people

Main target: By 2025, Swisscom will help 2 million people enhance their digital literacy

Sensitisation courses (pupils, parents, teachers, adults)
Technical aids (minor-protection pin with Swisscom TV, filter software, child-specific subscriptions)
Media relations (publications, social media, guides).

KPI: Promoting media skills 482,204
KPI: Training media use 608,369
KPI: Technical measures 95,965
KPI: Digital shift 121,712

2020 measures:
* eSports elective for schools
* Target group-specific information for the parents of our young customers.

Diversity (GRI 405-1, SDG 5, 8)

Increasing the diversity of employees, measured by gender distribution, age mix, nationalities and inclusion.

KPI: Proportion of women in the management and top CEA levels (target adjustment in 2020) Decision: Increase of 1 percentage point annually 15.5% 16.5%
KPI: Percentage of employees with health impairments (inclusion) 0.97% 1%

2020 measures:
* Promotion of flexible working models for women and men at all levels.

Work stress and resilience (GRI 403-1, SDG 3)

Maintain or reduce absenteeism rate compared to the previous year.

KPI: Absences in days/target days (weighted by FTE) x 100 2.92% 2.8%
Target days are based on the standard working hours

2020 measures:
* Focus topic: mental health with training courses as “Mental Health First Aid” and “Stress & Resilience” trainer and leadership training in presence management and controlling with seismograph.

Fair supply chain

Number of audits x the number of employees in the audited factories.
JAC = Joint Audit Cooperation.

KPI: Number of employees working for suppliers in the audited factories 300,000 -

2020 measures:
* Expansion of audits in the JAC community, development of new initiatives (JAC Academy, JAC Awards), extension of the supplier development programme and partnership.
* Intensification of joint activities as part of JAC (audits, qualitative + quantitativ), targeted “on-boarding” self-assessment.

More for Switzerland

Main objective: Coverage of Switzerland with fixed ultra-broadband as a prerequisite for Switzerland’s competitiveness.

Increased bandwidths through modernisation of the existing network and the expansion of fibre optic coverage to homes and businesses (FTTH).

KPI: 30%-40% coverage of fixed-line apartments and shops with ultra-broadband between 300-500 Mbps by modernising the existing network. Base 5.2 million apartments and shops Switzerland (Swisscom Inventory). 21.9% 40% -

KPI: 50%-60% coverage of apartments and shops with ultra-broadband of 10 Gbps by upgrading fiber optics (FTTH). Base 5.2 million apartments and shops Switzerland (Swisscom inventory). 29.4% 60% -

2020 measures:
* Continuous expansion and modernisation of the existing network.
Sustainability — governance and implementation

Strategic goals of the Federal Council
Every four years, the Federal Council defines the goals which the Confederation aims to achieve as principal shareholder of Swisscom. During the current target period, to 2021, it expects Swisscom to pursue a corporate strategy that is, to the extent economically possible, both sustainable and committed to ethical principles. See www.swisscom.ch/ziele_2018-2021

Incorporation in the Group strategy
The Board of Directors of Swisscom is committed to pursuing a strategy geared towards sustainability. It addresses the relevant economic, environmental and social issues in plenary sessions. The implementation of the strategy is delegated to the CEO of Swisscom Ltd. The CEO can transfer powers and responsibilities to subordinate units and is supported in operational management by members of the Group Executive Board.

The Group Communications & Responsibility (GCR) division is responsible for the creation and implementation of the sustainability strategy. Since 2017, it has been responsible for taking the Sustainable Development Goals (SDGs) and the 2030 Agenda into account — and therefore also for the sustainable development of Swisscom’s sustainability strategy. See www.swisscom.ch/basicprinciples

Responsibility of the Group Executive Board
The Group Executive Board convenes twice a year to discuss the further development and implementation of the sustainability strategy. Every November, it reviews the past year and approves the goals and measures for the coming year. The Group Executive Board has approved the goals for the relevant contributions per division as part of the 2025 Sustainability Strategy. These contributions are devised as a collaboration between the divisions and Group Communications & Responsibility for the year in question, then approved by the relevant division managers and finally adopted as an overarching roadmap for the year in question. Members of the Group Executive Board as well as the Head of Group Communications & Responsibility are sponsors for the different strands of the sustainability strategy and contribute accordingly.

The areas of responsibility are aligned to the core tasks of the respective sponsors. The responsibilities and associated KPIs (Key Performance Indicators) were adopted in November 2018 in the 2025 Sustainability Strategy:

- **Overall management**: Head of Group Communications & Responsibility.
- **More for the environment**: Head of IT, Network & Infrastructure (network issues), Head of Group Business Steering, CFO (mobility and real estate issues), Head of Business Customers (sustainable business customers portfolio), Head of Residential Customers (sustainable residential customers portfolio).
- **More for Switzerland**: Head of IT, Network & Infrastructure.
- **More for our image**: Head of Residential Customers, Head of Group Communications & Responsibility.

These areas of responsibility ensure that the priorities of the sustainability strategy are binding and firmly embedded in the company.

The Group Executive Board has the following controlling instruments at its disposal:

- Weekly reports by Group Communications & Responsibility on the main events
- Half-yearly reports with the main KPIs from the priorities of the sustainability strategy
- Quarterly reports drawn up by Risk Management
- Half-yearly status reports in the divisional governing bodies on the status of the division roadmap

Responsibility of the Board of Directors
The Board of Directors approves the goals and principles of the Group’s corporate policy. Sustainable business management is part of Swisscom’s corporate policy. The Board of Directors acknowledges the long-term sustainability strategy. The sustainability strategy contains the strategic priorities and long-term sustainability goals, their scope and the corresponding governance. The Board of Directors also decides whether the scope of the sustainability strategy should be expanded to include, for example, domestic and foreign subsidiaries. At the end of every year, the Board of Directors also acknowledges the goals for the following year. Every six months, it is informed in half-yearly reports, and also verbally in December, on the implementation status of the sustainability strategy and the extent to which the goals have been achieved.

In December 2019, the Board of Directors acknowledged the 2020 Roadmap derived from the sustainability strategy.

Line units and sustainability network
Depending on the strategic priority in question, sustainability measures are implemented by either project teams or line units. Additional management members are also designated in each division, and these persons implement the measures at an operational level in close collaboration with the sustainability team. Events are held twice a year for all members of the sustainability network. The purpose of these sustainability community occasions is to exchange information and explore new issues.
Corporate ethics

Ethical behaviour is the frame of reference (basis) for everything Swisscom has been doing for many years. The public’s expectations of the business community have risen sharply. And stakeholders are making legitimate demands for responsible action.

Swisscom endeavours to act in a way that does not lead to any disadvantages for customers, the economy, the environment, the general public, social groups, individuals or the company itself. It acts in the knowledge that it can maintain its competitive position not only through offering convincing products and services. Rather, acting responsibly and on the basis of ethical principles is just as important for Swisscom. Swisscom is committed to transparency and open dialogue with the public. It also encourages its employees to keep asking themselves whether their decisions and actions comply with the norms and values of both the company and society. Swisscom is only economically successful if there is harmony between the company and society.

As its main shareholder, the Confederation expects Swisscom to pursue a corporate strategy that is, to the extent economically possible, both sustainable and committed to ethical principles.

Swisscom lives up to this demand through its commitment to the environment, society and the economy, in both the analogue and digital worlds. Swisscom’s ethical standards take equal account of the needs of Swisscom and its stakeholders. Swisscom is aware that there are conflicting objectives associated with this. It actively addresses these and strives to collaborate to identify solutions that accord with its corporate culture.

Ethical standards affect the entire company. Swisscom trusts its employees and expects them to act responsibly in their day-to-day work. Management sets an example. The Head of Group Communications & Responsibility is also the person responsible for Swisscom’s ethics. He is responsible for ethical issues and impact assessments relating to Swisscom’s business activities, and raises staff awareness. In 2019, Swisscom also set up a Data Ethics Board under the direction of the person responsible for ethics, which meets to discuss data projects and makes recommendations for projects and management.

The 2025 Sustainability Strategy creates added value for society, the economy and the environment and stands for ethically responsible entrepreneurship. Among other things, Swisscom makes a contribution to energy efficiency and climate protection, aims to improve the quality of people’s everyday lives, advocates fair working conditions in Switzerland and abroad, promotes the development of its employees and champions better media skills in Switzerland. Swisscom checks projects and engagements not only for profitability, but also for compliance with sustainability standards and long-term impact on the environment and society.

Swisscom committed to the following rules and code of practice during the year under review:


- **Code of Conduct**: taking responsibility, complying with rules, being honest and reporting violations – Swisscom’s Code of Conduct contains the minimum expectations that the Board of Directors and CEO have of the managers and employees of Swisscom and its Group companies.

  - See [www.swisscom.ch/cr-governance](http://www.swisscom.ch/cr-governance)

- **Sustainability governance**: transparency and clear responsibilities characterise responsible corporate governance at Swisscom. Sustainability governance defines the rules in accordance with which Swisscom employees in charge must manage, organise and control.

  - See [www.swisscom.ch/cr-governance](http://www.swisscom.ch/cr-governance)

- **Principles of communication**: employees adhere to Swisscom’s values and principles of communication in their day-to-day communication with one another and with customers, as well as in media and public relations work.

  - See [www.swisscom.ch/cr-governance](http://www.swisscom.ch/cr-governance)

- **Data Ethics Board**: Swisscom has set up the Data Ethics Board to examine data processing operations based on objectifiable values. The Board, chaired by the Head of Group Communications & Responsibility, examines specific application scenarios from day-to-day business. The principles, processes and composition of the Data Ethics Board were adopted in August 2019 in collaboration with the CEO, Head of Strategy, Head of Security and Head of Group Communications & Responsibility. The Board consists of representatives from HR, Customer Care, Data Analytics and Mobile Solutions for Business Customers. The first meeting of the Data Ethics Board, with its new composition, took place in November 2019. The Board advised on and examined projects relating to Swisscom TV and mobile communications.

  - See [www.swisscom.ch/cr-governance](http://www.swisscom.ch/cr-governance)

- **Transparency and dialogue**: Swisscom seeks to establish contact with the public. It maintains an open dialogue with interested stakeholder groups on specific topics relating to its core business. Swisscom employees have the option of anonymously reporting suspected unfair business practices via a publicly accessible whistle-blowing platform. The incoming notifications are handled by the Internal Audit department.

- **Responsible data handling**: data-based applications and services provide opportunities for society, for the economy and for Swisscom as a company. Swisscom is aware of the trust its customers place in it when it comes to the handling of data. That is why it has set up a data governance procedure. This procedure systematically formulates measures and processes to establish and promote a responsible data culture at Swisscom. The aim is to ensure that Swisscom processes data in a legally compliant and legitimate manner. Swisscom became a board member of the Open Data Association in 2018. This is an example of how the company is involving itself in the socio-political discourse surrounding the public availability of data.

  - See [www.swisscom.ch/smartdata](http://www.swisscom.ch/smartdata)

### Management approaches within the Group

#### The Group’s precautionary principle

Swisscom works in a sustainable manner, in accordance with its vision and values. It employs established management systems and approaches to reduce environmental, business and social risks. Group targets and directives ensure that sustainability requirements are taken into account in operations and projects. Raising awareness among its staff through training is an important element of Swisscom’s precautionary principle, alongside the management systems set up. In part, this is achieved by promptly providing information about sensitive issues.

Swisscom’s management systems adhere to ISO international standards. External audits confirm compliance with the following standard requirements through certification:

- 9001 Quality management
- 14001 Environmental management
- 14064 Guideline on greenhouse gas inventory
- 20000 IT service management
- 27001 Information security management system
- 33002 Information technology – process assessment

Swisscom has a certified quality assurance system (QAS) for measuring the electromagnetic fields of mobile communication antennas. This system is designed to ensure compliance with the limits set down in the Ordinance on Non-Ionising Radiation (ONIR limits). Preventive measures are taken as part of Swisscom’s operational risk and safety management system.

### Compliance management

Swisscom’s wide range of business activities, coupled with the complexity of the applicable regulations, calls for an effective compliance management system (CMS). Swisscom’s CMS covers the entire Group and is based on the following underlying elements:

- **Culture**: an effective CMS is founded on a culture of compliance. The Code of Conduct sets out the minimum expectations of the Board of Directors and CEO of Swisscom Ltd. These are communicated throughout the company by its leadership, and demonstrated and disseminated in day-to-day collaboration.

- **Objectives**: the Board of Directors defines the compliance objectives: all organisational measures and activities are aligned with these goals.

- **Risks**: Swisscom identifies and defines compliance risks, taking account of its business activities as well
laws in the following legal areas throughout the Group:

- The compliance system monitors compliance with the GRI Index of this Sustainability Report.
- To safeguard trade secrets, Swisscom does not publish any compliance reports. Brief information is provided in the GRI Index of this Sustainability Report.
- The compliance system monitors compliance with the laws in the following legal areas throughout the Group:
  - Anti-corruption
  - Anti-Money Laundering Act
  - Banking law (deposits from the public)
  - Data protection and confidentiality (concerning all laws)
  - Federal Act on Product Safety
  - Antitrust legislation
  - Telecommunications legislation
  - Stock exchange law (including OaEC)

**Responsible marketing**

Swisscom’s marketing is aligned with its own vision and values as well as the principles of the Swiss Commission for Fairness in Advertising (Schweizerische Lauterkeitskommission). These principles govern all of the relevant aspects of fairness and integrity in communication. Group Communications & Responsibility is responsible for informing Swisscom’s marketing units about any further development of these principles. The communicating units are responsible for ensuring that the principles are adhered to, since they are in a position to recognise any breaches of compliance at an early stage and can take preventive action.

Swisscom does not differentiate based on age or gender when dealing and communicating with its customers, but rather ensures that each customer can get to grips with an ever increasingly networked and digitised world on an individual level. This approach ensures that Swisscom can support its customers in the digital world without discrimination and according to each customer’s personal level of knowledge.

There were no infringements against fair trading in marketing and communications in the year under review.

**The protection of human rights within the Swisscom Group and throughout the supply chain**

The protection of human rights is an integral part of Swisscom’s corporate culture. It aligns itself with recognised standards, including the UN Guiding Principles on Business and Human Rights, the SA8000 standard of Social Accountability International (SAI) and the company’s procurement guidelines. In 2016, Swisscom published its guideline on human rights. This garnered national attention and is listed on the Business and Human Rights website of the State Secretariat for Economic Affairs (SECO) and of the Federal Department of Foreign Affairs (DFA) as an example of good practice in the standards and guidelines category. By rigorously upholding its guideline on human rights, Swisscom is contributing to the implementation of the UN Guiding Principles on Business and Human Rights and the National Action Plan for Business and Human Rights.

**Practices in relation to copyright laws**

Copyright is governed by the collective employment agreement. Employees assign any copyright and associated protective rights (in particular rights to software) and all shared rights to Swisscom if these rights arose in the course of their employment at Swisscom. This applies specifically to everything accomplished by employees, whether individually or in collaboration with others, while employed by Swisscom. In the event that Swisscom has no interest in the rights transferred to it, the employee’s right to make use of them may be reverted to them by contract.

When using free and open source software (FOSS) to develop software, Swisscom protects the copyright of third parties by adhering to the required FOSS licensing terms. Its use is regulated in the existing Group directives. For Swisscom software launched on other national markets, FOSS licence compliance must be checked and verified by the internal FOSS Compliance Service explicitly.

**Swisscom security**

Swisscom makes the networked world more secure by placing the needs of its employees, customers and partners at the heart of all its security considerations and ensuring security with clear and simple measures. Through comprehensive infrastructure and in-depth expertise, Swisscom offers the best possible protection for employees, customers, partners and its own company on a daily basis. Swisscom creates an effective
internal security culture through training and awareness campaigns for its staff.

Advancing digitisation and growing dynamism mean that security is becoming more and more important. Swisscom uses the issue of security to further differentiate its brand from those of its competitors and to open up new growth areas. For that reason, it offers its customers security solutions, products and services that are as progressive as possible. In addition, the Swisscom Academy provides security support through courses for SMEs and training videos for all Swisscom customers.

Fraud management
Swisscom works to actively counter risks of fraud and thereby prevent losses. It draws on its customers’ and its own experiences of fraud cases. Cases of fraud are external events and cannot be influenced directly, but can be prevented extremely effectively by implementing detection and prevention measures.

Swisscom applies the following definition of fraud: fraud covers all actions aimed at fraudulently falsifying facts, avoiding costs or directly or indirectly gaining enrichment in an unlawful manner. This Swisscom definition is oriented to fraud in the area of telecommunications. The combination of detection and prevention measures as well as the use of appropriate means (tools and personnel)
• depicts the risks of fraud in a transparent manner;
• prevents cases of fraud;
• reveals fraud cases quickly, enabling security loopholes to be closed;
• reduces costs since resources are not burdened with exceptional tasks;
• reduces financial losses and enables the recovery of misappropriated assets;
• strengthens the reputation of Swisscom and increases customer confidence.
More for the people

Swisscom enables people in Switzerland to make easy use of the opportunities presented by a networked world. By 2025, it will help two million people per year enhance their digital literacy. Swisscom will also train around 900 apprentices, strengthen its commitment as a responsible employer, and continue to work to ensure that people with disabilities can also use Swisscom’s services without any barriers. In its purchasing policy, it defines minimum standards for working conditions in the supply chain.

Media skills and security

Swisscom enables and shapes the information society. It wants all people in Switzerland to be able to communicate at all times in both the public and private spheres and to exchange information with one another. It provides the infrastructure and services to enable this. At the same time, Swisscom fulfils its obligation to train users in handling digital media. In particular, it supports children and young people in dealing competently with new opportunities: this is done through courses for parents and teachers as well as via the “media smart” platform for families.

Management approach

Parents and teachers are now under pressure in many respects when it comes to the use of media by children and young people. The different value systems generate tension. Young people experience media as a natural element of their everyday lives, and find it difficult to accept any limitations. Adults, on the other hand, tend to recognise time lost in online presence and try to keep their children away from digital media. Both views are justified. Swisscom sees itself as bearing a responsibility in this field of tension, as its products make it possible for daily lives to be penetrated by digital media in the first place. It therefore does not turn a blind eye to the risks of inappropriate media consumption. Swisscom decided at a very early stage not just to conscientiously fulfil the legal requirements, but also to adopt additional measures to establish sensible media use in Switzerland. Swisscom is convinced that only balanced, moderate media use can advance the information society.

Sustainability team members are responsible for youth media protection and media competence. When it comes to the protection of minors in the media, Swisscom relies on technical measures such as filters, clearly regulated processes in the advisory and sales process or the blocking of value-added services. It does, however, also favour preventive measures such as targeted education, sensitisation and information for the various stakeholder groups. Swisscom measures the number of contacts made in order to determine how effective the respective measures are. Last but not least, Swisscom maintains an active discourse with individual stakeholder groups from the family policy arena, schools and parents’ organisations to make the best possible use of synergies.

Swisscom’s approach aims to empower all media users, especially young people, in their handling of digital media. The rapidly changing media landscape constantly produces new challenges – for parents, teachers and all those involved in youth media protection. This is why Swisscom continuously adapts its measures to the ever-changing requirements.

The Confederation’s strategy for a healthy and value-adding information society serves as a guideline for Swisscom. Swisscom is convinced that Switzerland as a business location, the Swiss educational landscape and the entire population will continue to benefit from a progressive ICT landscape both now and in the future. The “Digital Switzerland” initiative was passed by the Federal Council in April 2016. This relates not only to the infrastructure aspects of information and communication technologies, but also to issues of data handling and the development of an information society.

Media protection for minors and promoting media skills

Swisscom is active at various levels:

- Swisscom’s media courses are aimed at parents, teachers and pupils and highlight both the risks and the opportunities of digitisation.
- In discussions at all Swisscom eSports events, media educators provide parents and other interested parties with competent advice on media education. They also provide information material.
- The “enter” guidebook addresses current topics relating to digital media. The last issue to be published in autumn 2018 was the much acclaimed issue on gaming and eSports.

See www.swisscom.ch/enter
The “media smart” platform addresses families’ questions about media consumption. In 2019, the platform recorded over 40,000 hits.

Through publications in the parents’ magazine “Fritz und Fränzi”, Swisscom raises awareness of issues relating to media education and literacy among various target groups.

As part of the JAMES study (Youth – Activities – Multimedia – Survey – Switzerland), Swisscom is collaborating with the Zurich University of Applied Sciences (ZHAW) on basic research, in the form of the biennial JAMES study and the in-depth JAMESfocus reports. In 2019, the JAMESfocus reports addressed issues relating to health, the use of ICT in education, and fake news.

For over ten years, Swisscom has been a signatory to the industry initiative for improved youth media protection of the Swiss Telecommunications Association (asut). Together with the providers Salt, upc and Sunrise, Swisscom has laid down additional rules for improved protection of children and young people, and consistently adheres to these rules.

Last but not least, Swisscom is available to a large number of stakeholders involved in youth media protection as a discussion partner and supporter. Of particular note here is the exchange with the Federal Social Insurance Office, whose task it is to devise an effective legal basis for media protection for minors.

Swisscom Academy
Since 2005, the Swisscom Academy has been teaching people how to use mobile devices and the Internet. Swisscom offers regular courses at 16 locations. In 2019, a total of 14,512 people attended training courses on how to use modern communications media. This means that since the launch of the Swisscom Academy a total of 578,305 people have attended its courses. The courses are targeted at the general public in Switzerland and are open to customers and non-customers alike. Through the academy, Swisscom is playing an important role in reducing the digital generation gap.

eSports demand a sense of responsibility
Swisscom launched its own eSports offering in 2018. In order to support eSports responsibly, Swisscom is planning accompanying measures (SIEA Code of Conduct, presence at exhibitions, eSports events and eSports as an optional subject). These will support parents to develop an opinion on gaming and eSports and provide interested parties with scientifically sound information on gaming and eSports. They will also provide the best possible protection for children and young people against potentially negative effects of gaming and eSports.

Education Sponsorship Charter
The Association of Swiss Teachers (LCH) used the Swiss Education Days in November 2016 to present their charter on the sponsorship, promotion and funding of public education by private providers. It aims to support school directors and teaching staff in evaluating sponsorship services offered by private sector partners. The charter does not deem it appropriate, for instance, if school children are used as advertising space or if the use of user data is not made transparent or is not in accordance with a canton’s legal requirements. Swisscom was one of the first companies to sign this charter. Swisscom considers it important to act with due care in the sensitive area between the public sector and private business partners or sponsors. It hopes to be a role model for other companies through the work it does. First and foremost, the Swisscom brand should serve to identify the sender and promote transparency. At no time does Swisscom use the entrusted data for marketing purposes, and it therefore refrains from any advertising measures in schools.

Accessibility
Management approach
For Swisscom, accessibility is not merely a legal or economic obligation but, above all, a service that it is proud to offer its customers. Swisscom therefore plays a major role in integrating people with disabilities into the information society. It attaches great importance to accessibility for two reasons: Firstly, Swisscom complies as a
rule with the domestic Law on Equal Rights for Persons with Disabilities (BehiG), and therefore feels obliged to offer products without barriers. Secondly, even more existing and new Swisscom customers should be able to access all Swisscom products and services. Swisscom is therefore pursuing the goal of firstly making the most important products and channels accessible, which are those products and services that are used by large numbers of people. Given the large number of Swisscom products and services on communications channels, this concentrated approach makes sense.

It is still too early to assess the measures and their effectiveness. In the medium term, Swisscom intends to have these measures evaluated within the framework of the “Access for All” accessibility study published every five years by the foundation of the same name. Swisscom is working to achieve significantly better results in the next publication of this study. Over the next two years, it will therefore concentrate on implementing the strategy for improving accessibility and ensuring the effectiveness and sustainability of the measures.

Barrier-free access to services
Swisscom Shops fulfill strict criteria to ensure that they are accessible to people with disabilities. Shop and call center employees are also invited to identify the needs of customers with disabilities through greater awareness and practical tools. Swisscom continuously optimizes the accessibility of its shops and call centers, mainly through cooperation with well-known associations and organizations, such as the Swiss Association for the Deaf (SGB-FSS) and Procap.

Customer service can be contacted in several ways. People with impaired vision or mobility who cannot use the telephone directory have the option of being connected directly to the desired person via the short number 1145 at no additional cost. Swisscom provides this service free of charge as part of its basic service provision (currently GV18). In addition, a service for translation into sign language is available for deaf people, enabling them to have telephone conversations between deaf and hearing people. Swisscom offers this service, which is also part of the basic service provision, free of charge in cooperation with the Procom foundation. Finally, Swisscom actively supports the Apfelschule’s courses for blind and visually impaired people on how to use smartphones. Customers who wish to take part in such a course receive a voucher from Swisscom worth CHF 50.

More for the employees
Employability – management approach
The digital transformation is happening everywhere – it presents many opportunities as well as great challenges for employees and companies. To take advantage of these opportunities and to overcome the challenges requires motivated employees. These are employees who use their individual skills and experience to inspire people in the networked world on a daily basis. Swisscom supports its employees in enhancing and supplementing their skills so that the necessary competencies and resources will continue to be available in the future. In turn, it is vital for employees that they continuously develop and educate themselves.

For this reason, Swisscom grants all employees five training and development days per year, which are firmly enshrined in the collective employment agreement (CEA). The One Swisscom Academy also offers a wide range of training courses. These are aimed at strengthening the employability of employees. Swisscom has also signed Digital Switzerland’s “Life Long Learning” initiative and supports life-long learning in public.

Terms and conditions of employment and social partnership
Swisscom’s CEA offers employees progressive employment conditions that exceed the statutory minimum and which have been drawn up jointly with the social partners.

Remuneration, equal pay
Swisscom remunerates its employees fairly and in line with market conditions and also ensures equal pay between the sexes. The salary system is structured in such a way that equal salaries are paid for equivalent tasks and services.

Swisscom adjusts employees’ salaries in its annual salary review. It also periodically reviews the salary structure for differences between men’s and women’s wages using the federal government’s equal pay tool (Logib). Previous reviews (most recently in 2019) have revealed only minor pay discrepancies that are under the tolerance threshold of 5%. Employees who have put in an above-average performance and whose wages are at the lower end of their respective salary bands receive an above-average wage increase.

Profit-sharing
All Swisscom employees share in the company’s success by way of a variable salary component. Profit-sharing results from the company’s financial performance and successful transformation of the business. An individual performance factor serves as a further calculation factor for management staff. The employee’s job level determines the level of profit-sharing. It ranges from 2% of the basic salary at the lowest job level to 30% at the highest. Employees at job level A (highest job level) and members of the Group Executive Board receive a proportion of their variable profit-sharing in the form of Swisscom Ltd shares.
comPlan pension fund
Swisscom offers its employees an attractive pension solution with extra-mandatory benefits through the comPlan pension fund. At the end of 2019, around 17,900 Swisscom employees and some 8,750 pensioners were insured under comPlan.

Fringe benefits
All Swisscom employees receive fringe benefits in the form of an allowance towards Swisscom services as well as the SBB half-fare travelcard, irrespective of their job and whether they work full-time or part-time. Swisscom offers its employees a selection of discounted lunch options at most of its locations.

Paternity and maternity leave
Swisscom offers its female employees 18 weeks’ maternity leave on the birth of a child. Male employees are entitled to 15 days’ paternity leave and one month’s unpaid leave in the first year of their child’s life. Parents who adopt children are entitled to ten days’ adoption leave.

Supplementary regulations governing management staff
Management employees are entitled to 30 paid sabbatical days after every five uninterrupted years of managerial employment. In addition, management employees benefit from management staff risk insurance in the event of death.

Social partnership
Swisscom allows staff representatives and trade unions a consultation period of at least two weeks in the event of operational changes as part of its agreed participation arrangements.

Participation consists of rights to information, participation, decision-making and self-responsibility and is set out in the collective employment agreement. The consultation period is not defined in the collective employment agreement; it is determined by the legal basis, case law and established practice. Swisscom generally gives longer notice periods than required by law and attaches great importance to dialogue between management and the social partners.

Ways and models of working

Flexible working hours
The working week at Swisscom is 40 hours. Some subsidiaries have working weeks of 41 or 42 hours. Flexitime allows employees to arrange their working hours flexibly in terms of place and time in line with the requirements of their job. Swisscom provides them with the necessary tools. In addition, employees can choose to work part-time, which includes being able to try out part-time working for three months. The Work & Care model enables employees who care for sick relatives to temporarily reduce their workload and thus meet the needs of their family.

Combining work and family life
Swisscom attaches great importance to facilitating the combination of work and family life. In addition to flexible working models, Swisscom supports families through other measures such as contributions to extra-familial childcare and advisory services provided in cooperation with the Family Service. The Pro Familia organisation has awarded Swisscom the “Family Friendly Work Space” label, which must be re-certified in 2020.

Annual leave
Depending on their age, Swisscom employees are entitled to between 25 and 30 days’ annual leave. In addition, employees have the opportunity to buy ten additional days of annual leave per year. Employees subject to the CEA who organise their working time autonomously (time autonomy, in compliance with Ordinance 1 to the Employment Act) receive five additional days of annual leave per year. All employees subject to the CEA also receive five additional days of annual leave every five years as a reward for their loyalty to the company.

Agile forms of collaboration
Swisscom is undergoing a transformation. It is therefore continuing to develop its traditional organisational forms and working methods so as to generate added value with dynamism, speed and flexibility. Swisscom is increasingly reliant on agile working methods. Hierarchies are becoming flatter while individual responsibility is expanding. Around 4,000 Swisscom employees currently work in various agile settings.

Recruiting and developing employees

Recruitment
Swisscom recruits in a non-discriminatory manner. It does not take into account criteria such as age, origin, gender, etc., but instead focuses solely on the applicants’ qualifications and their attitude towards the company’s values. Potential applicants also have the opportunity to apply anonymously. Applicants are selected without the support of artificial intelligence. With regard to the employment of foreign nationals from third countries, Swisscom complies with the legal regulations and gives priority to Swiss nationals.

Young professionals
Swisscom provides around 900 apprenticeships in eight different vocational areas. In addition, the subsidiary cablex offers around 50 apprenticeships in three vocational areas.

In 2019, 241 apprentices with Swisscom and 11 cablex apprentices completed their vocational training. This corresponds to a success rate at Swisscom of 97% At the same time, 257 young people started their apprenticeship at
Swisscom. The range of apprenticeships on offer means that there are opportunities for young people at all qualification levels: Swisscom offers training places for graduates of basic school education (secondary level) as well as for high-school graduates and students of the practice-integrated degree course in information technology. 104 graduates from universities of applied sciences and universities gain their first practical experience every year as step-in interns at Swisscom. In addition, Swisscom’s trainee programme enables twelve selected interested people to embark upon their careers after completing their studies.

**Training and education**

For Swisscom, giving its employees sufficient creative freedom and personal responsibility for their professional development forms part of an inspiring learning culture. As a pioneer in the field of digitisation in Switzerland, Swisscom is dedicated to getting to grips with the working and learning models of the future. It offers employees and managers an environment in which they can develop and test new skills.

**Employability**

Swisscom believes that it is vital for employees to pay attention to their employability. Swisscom therefore supports its employees with the virtual career adviser “My Employability”. This enables employees to fine-tune their job profile, recognise any gaps in their knowledge and plan appropriate measures, e.g. further training. The One Swisscom Academy offers a wide range of training and development opportunities that strengthen employability.

Swisscom has set itself the goal of ensuring that the majority of employees take advantage of the five training and development days enshrined in the CEA, be this through the varied training courses on offer, on-the-job development or external training – including in collaboration with the Swiss education portal.

Depending on the objective of the training measure, Swisscom also supports further training by, for example, granting more days off and/or contributing financially.

**Programmes for talented employees**

Swisscom offers a wide range of talent opportunities in German and French to employees with motivation and potential, specifically to enable them to develop their skills so that they can move into more responsible positions. To avoid talented employees being overlooked in the selection process, employees can themselves apply for the talent programmes. Since the introduction of the new process in 2017, the proportion of women in these programmes has doubled to 42.9%.

**Average number of hours of training and further education per year and employee**

In 2019, 38% of Swisscom employees used at least one of the five training and development days.

**Evaluating performance and professional development**

In collaboration with partners, Swisscom has developed My Impact – a tool that employees and managers can use as a compass for their professional development and for performance evaluation.

Together with their managers and teams, employees define the contributions they wish to make in order to jointly achieve the company’s objectives. To this end, they regularly gather feedback from their stakeholders, discuss this with their line managers and plan their further professional development.

**Diversity and equal opportunities – management approach**

Swisscom strongly values the diversity of its employees. It is the different perspectives, experiences, ideas and skills of every individual that make Swisscom a successful, innovative and creative company. To encourage diversity, Swisscom pays attention to the factors of gender, inclusion, generations and language region in everything it does. In the year under review, several representatives from different divisions assumed responsibility for diversity with the aim of giving it the necessary weight and embedding it even more firmly in the company.

Swisscom has defined KPIs for the various dimensions of diversity, which it monitors and, if necessary, implements measures to achieve. The self-nomination process in the talent programmes has led to a strong increase in the mix of gender and language regions. Swisscom has launched the “Stay in Business” programme in collaboration with the iimt (international institute of management in technology) in Fribourg for employees who wish to take a break from work, usually for family reasons. Participants attend individual courses run by the iimt and therefore acquire up-to-date business knowledge. At the same time, Swisscom invites them to workshops every now and then. This keeps Swisscom in contact with its talented people.

**Gender equality**

As a technology company, Swisscom operates in an industry that is still heavily male-dominated. The majority of those trained in the technical professions that Swisscom needs are men. Swisscom therefore supports initiatives that start with the choice of career. These include the “Digital Days for Girls”, at which female apprentices from ICT training courses explain to female students what their apprenticeship involves.
This initiative has proven popular and is showing initial success. The proportion of young female professionals in ICT occupations has risen from 22.7% to 27.8% year-on-year.

In diversity management, Swisscom follows the principle of designing relevant processes in recruitment, development, talent management and management culture to ensure that they counteract unconscious stereotyping and facilitate equal opportunities.

In order to increase the popularity of offers such as part-time working for men, Swisscom encourages employees, particularly its male employees, to try out working part-time. Flexible working models and measures to reconcile work and family life also make an important contribution to the integration of all employees in different life situations. Swisscom therefore advertises the majority of jobs with flexible 80% to 100% working hours.

For Swisscom, professional support and equality starts with school-aged children and continues throughout working life. Swisscom enables women to further their education both internally and as part of the nationwide Advance Women initiative, and to expand their network so that they can move into more responsible positions. The Swisscom Group Executive Board has set itself the goal of steadily increasing the proportion of women in management. In order to achieve this goal, Swisscom has decided to increase the proportion of women in the top CEA levels. The proportion of women in management and in the top CEA levels is to increase by one percentage point each year. Swisscom is convinced that talent management and promotions will enable it to increase the integration of women in the company. A specific Succession Planning Committee is to give even greater emphasis to the concern for equality.

Generations
Swisscom employs people of all ages. Collaboration and exchange between generations gives employees the opportunity to learn a great deal from one another.

Employees who have reached the age of 58 can, if they wish, gradually step back from working life by taking partial retirement, while at the same time passing on their knowledge to the next generations.

Since 2017, Swisscom has supported the "Check Your Chance" initiative of the Swiss Employers’ Association. The aim of the initiative is to support young people in difficult situations as they embark upon a career.

Swisscom is also a business partner to the Lucerne University of Applied Sciences and Arts for the integrative generation management project and a partner of the World Demographic & Ageing Forum (WDA Forum). The WDA Forum is an international, intergenerational platform which supports exchange on matters to do with the general public, older people and generations.

Nationality and language
People from 87 different nations work for Swisscom – at various locations in all regions of Switzerland. When recruiting new employees, wherever possible Swisscom considers applicants from the respective region, as they are familiar with local customs. To attract talented people with the necessary profiles, Swisscom maintains partnerships with universities in the separate linguistic regions of Switzerland.

Inclusion
Swisscom actively supports the Compasso association as a member and sponsor. Compasso focuses on providing employers with information on how to deal with people with health problems.

Swisscom builds on the individual strengths and abilities of each employee. Where employees’ work performances are impaired due to health reasons, Swisscom attaches great importance to keeping them in the workforce and guaranteeing them meaningful continued employment. To promote inclusion, Swisscom reserves at least 1% of jobs for employees with physical or psychological impairments. In so doing, Swisscom fosters the integration of the persons in question into the workforce.

Diversity in management bodies and employee committees
There are currently no women on the Group Executive Board, while top management has nine women. The Board of Directors has three women out of a total of nine members.

Swisscom is represented in all of Switzerland’s language regions. It attaches great importance to ensuring that the various languages are adequately represented on the governing bodies. This has yet to be achieved everywhere to the desired degree.

Cases of discrimination and measures taken
Swisscom does not tolerate any kind of discrimination or abuse of power. This principle is communicated to employees and, above all, to managers. In cases of discrimination, the neutral Care Gate contact point is available to all employees.
Sustainability Report | More for the people

Occupational health and safety

Work stress and resilience – management approach
Work stress and mental resilience are serious issues – for employees, for Swisscom and for society as a whole. A long-term indicator of work stress is the absence rate. This has remained stable at Swisscom over the years. A further indicator is provided by the feedback from the Pulse employee survey conducted twice a year. This survey explicitly asks whether employees experience negative stress in their working environment. If a team has high stress values, Swisscom offers the opportunity to carry out an in-depth stress analysis. This also includes the measurement of presenteeism (the practice by employees of going to work despite being ill) – a psychosocial risk that is increasingly being taken into account, right up to Board level. Among other things, an expert will raise awareness of this issue among the members of the Board of Directors in January 2020.

Swisscom promotes a good work-life balance for its employees – whether through flexible working hours or by supporting sporting or other balancing activities. Social Services also offer Swisscom employees a point of contact to which they can anonymously turn in the event of problems.

Safety
Swisscom consistently implements the statutory provisions on safety (umbrella term for occupational health and safety). The health and safety of its employees, partners, customers and everyone else affected by its business activities is the number one priority. The safety system is part of occupational health management. On 8 July 2016, the Federal Coordination Commission for Occupational Safety (FCOS) certified the Swisscom safety system, based on national standards, as an operational group solution (i.e. as a solution that is suitable for large companies with branch offices in different locations). This certification is valid until 31 March 2021. The operational group solution according to FCOS directive 6508 is comparable to the standard according to OHSAS 18001 or ISO 45001:2018.

Swisscom makes targeted investments in occupational health management (OHM) initiatives and programmes, thereby supporting its employees in their efforts to stay healthy and motivated in the long term. Swisscom attaches particular importance to prevention and early detection of psychosocial risks such as stress perception, discrimination, emotional stress and presenteeism. As an employer, Swisscom can thus exert a considerable influence on the health of its employees.

Thanks to its systematic anchoring of health in the company, its targeted prevention approach and impact measurement, Swisscom was awarded the “Friendly Work Space” label by Health Promotion Switzerland in 2018 following a rigorous assessment process. This label is valid for three years.

Representation on employee committees for occupational health and safety
The Employee Representation Committee’s tasks include suggesting improvements in ergonomics, occupational safety and health protection and increasing the well-being of colleagues. The members of the Employee Representation Committee are familiar with realities of life within the company from their own day-to-day work and are therefore able to contribute quickly and effectively.

Occupational safety is another important issue for the Employee Representation Committee. The Employee Representation Committee is entitled to a seat on the Swisscom safety organisation’s “Group Safety Board”. This committee meets every two months and consists of safety specialists who meet to exchange information, identify common problems and solutions, and define Swisscom-wide measures and campaigns.

In addition, there is an annual exchange between the safety officer (SiBe) and the bodies of the Employee Representation Committee and other social partners.

Swisscom is a signatory to Suva’s “STOP in case of danger” safety charter. It is committed to ensuring that workplace safety rules are consistently observed so as to protect the lives and health of all those involved.

Occupational safety specialists carry out an audit every two years in order to continuously check and improve the Swisscom safety system. During the course of the reporting year, the “Protection against psychosocial risks in the workplace” and “System audit” audits were conducted.

As the audits show, Swisscom has a comprehensive, very well structured safety system. This is based on the requirements of the directive on the deployment of occupational doctors and other occupational safety specialists according to FCOS and on the ten system points according to Suva. The steering committee responsible for this area has examined the corresponding measures. The cooperation models introduced in 2018, which transfer certain tasks to the contractual partners, have proven their worth. Swisscom has set up the “Safety Board TUs” platform in order to discuss all relevant safety aspects between clients and contractors.
Work-related accidents and illnesses
Swisscom collects key figures on work-related accidents and illnesses centrally via a reporting system. Systematic awareness raising through preventive measures and timely clarification of events have helped to keep the number of occupational accidents per thousand full-time employees at the prior year’s level. At 19 accidents per one thousand full-time employees per year, the incidence rate is well below that of comparable sectors (such as the insurance industry). A little over a third of all occupational accidents occurred in offices and when working from home. However, these caused only a small number of days of absence or absences from work, as the majority of accidents were minor (i.e. accidents that resulted in no absence at all or an absence from work of less than four days).

The accidents were most frequently caused by carelessness, tripping, slipping or falling. These accidents generally affect limbs. The occupational accidents reported are systematically analysed by the safety officer and any necessary measures (technical, organisational and personal) are taken and implemented.

The number and risk of occupational illnesses (pursuant to UVG) are minimal at Swisscom. In the current year, Suva recognised no cases of occupational illness at Swisscom. It is also pleasing to note that there were no fatal occupational accidents in the 2019 reporting period.

<table>
<thead>
<tr>
<th>Illness and accidents (S+A)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular working days in FTE</td>
<td>3,229,991</td>
<td>4,227,335</td>
<td>4,105,181</td>
</tr>
<tr>
<td>Days lost due to illness (w/o work-related illness)</td>
<td>68,977</td>
<td>109,217</td>
<td>104,281</td>
</tr>
<tr>
<td>Days lost due to work-related illness</td>
<td>19</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Days lost due to work-related accidents</td>
<td>2,786</td>
<td>3,290</td>
<td>3,142</td>
</tr>
<tr>
<td>Days lost due to non-work-related accidents</td>
<td>12,838</td>
<td>16,829</td>
<td>16,626</td>
</tr>
<tr>
<td>Days lost total (S+A)</td>
<td>84,620</td>
<td>129,355</td>
<td>124,238</td>
</tr>
<tr>
<td>Number of cases of illness</td>
<td>15,408</td>
<td>23,680</td>
<td>23,030</td>
</tr>
<tr>
<td>Work-related accidents</td>
<td>261</td>
<td>299</td>
<td>278</td>
</tr>
<tr>
<td>Number of non-work-related accidents</td>
<td>1,896</td>
<td>2,515</td>
<td>2,445</td>
</tr>
<tr>
<td>Total cases</td>
<td>17,565</td>
<td>26,494</td>
<td>25,753</td>
</tr>
<tr>
<td>Share of days lost due to illness (w/o work-related illness)</td>
<td>2.13%</td>
<td>2.58%</td>
<td>2.57%</td>
</tr>
<tr>
<td>Share of days lost due to work-related illness</td>
<td>0.001%</td>
<td>0.005%</td>
<td>0.001%</td>
</tr>
<tr>
<td>Number of work-related accidents</td>
<td>0.09%</td>
<td>0.08%</td>
<td>0.08%</td>
</tr>
<tr>
<td>Share of days lost due to non-work-related accidents</td>
<td>0.40%</td>
<td>0.41%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Rate of days lost total (S+A) in %</td>
<td>2.62%</td>
<td>3.06%</td>
<td>3.06%</td>
</tr>
<tr>
<td>Work-related deaths</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net presence in FTE</td>
<td>11,267</td>
<td>14,838</td>
<td>14,119</td>
</tr>
<tr>
<td>Total productive hours performed</td>
<td>22,314,302</td>
<td>29,235,418</td>
<td>27,905,556</td>
</tr>
<tr>
<td>Productive time per FTE in hours</td>
<td>1,741</td>
<td>1,734</td>
<td>1,738</td>
</tr>
</tbody>
</table>

1. Failure of working time which generates medical costs
Preventive occupational health management measures
Swisscom offers numerous initiatives and programmes within the framework of occupational health management (OHM). For example, members of management and employees with a time registration waiver are given the opportunity to undergo free health checks in order to detect health problems at an early stage. With regard to psychosocial risks, Swisscom trains lay people within the company as champions. It offers regular stress and resilience courses as well as new “Mental Health First Aid” (MHFA) courses with Pro Mente Sana. Swisscom is a pioneer here in Switzerland. Starting in 2020, course participants will also receive training in presenteeism.

Swisscom runs an independent advisory centre (Care Gate) to answer questions relating to health and social issues. The centre provides employees and managers with professional and confidential advice – by phone, e-mail or video conference.

In 2019, the absence rate was 2.92% (prior year 3.06%). The number of absences fell by around 2.8% year-on-year, but the duration of the individual absences increased.

Among long-term absences, the number of cases is falling, but the average length of absence has increased significantly. Approximately 2,500 of the absences are due to non-occupational accidents (NOAs).

Employee age structure
in headcount (HC)

<table>
<thead>
<tr>
<th>Year</th>
<th>Up to 30 years</th>
<th>Between 30 and 50 years</th>
<th>Over 50 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17,741</td>
<td>3,004</td>
<td>10,712</td>
</tr>
<tr>
<td>2016</td>
<td>18,549</td>
<td>2,662</td>
<td>10,660</td>
</tr>
<tr>
<td>2017</td>
<td>17,787</td>
<td>2,374</td>
<td>10,175</td>
</tr>
<tr>
<td>2018</td>
<td>17,120</td>
<td>2,258</td>
<td>9,629</td>
</tr>
<tr>
<td>2019</td>
<td>16,230</td>
<td>2,019</td>
<td>8,985</td>
</tr>
</tbody>
</table>
## Sustainability Report

### Total workforce in Switzerland

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workforce</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>12,610</td>
<td>12,448</td>
<td>12,231</td>
</tr>
<tr>
<td>Female</td>
<td>3,845</td>
<td>3,759</td>
<td>3,999</td>
</tr>
<tr>
<td>Total</td>
<td>16,455</td>
<td>16,207</td>
<td>16,230</td>
</tr>
</tbody>
</table>

### Reporting limit in Switzerland

**Coverage report limit**

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Employees</th>
<th>in headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE</td>
<td>per end of December</td>
<td>HC</td>
</tr>
<tr>
<td>Average workforce</td>
<td>18,039</td>
<td>17,363</td>
<td>17,688</td>
</tr>
<tr>
<td>Workforce end of year FTE</td>
<td>17,688</td>
<td>17,147</td>
<td>16,628</td>
</tr>
</tbody>
</table>

### Fluctuation in Switzerland

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>43.7</td>
<td>43.8</td>
<td>43.1</td>
</tr>
<tr>
<td>Female</td>
<td>40.8</td>
<td>41.1</td>
<td>41.5</td>
</tr>
<tr>
<td>Total</td>
<td>42.9</td>
<td>43.8</td>
<td>43.1</td>
</tr>
</tbody>
</table>

### Further KPIs

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and training days</td>
<td>55,035</td>
<td>51,097</td>
<td></td>
</tr>
<tr>
<td>Number of days training and education per employee (headcount)</td>
<td>3.1</td>
<td>3.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Maternity and paternity leave</td>
<td>574</td>
<td>230</td>
<td>571</td>
</tr>
<tr>
<td>Total CEO compensation in KCHF</td>
<td>1,868</td>
<td>1,829</td>
<td></td>
</tr>
<tr>
<td>Median salary in KCHF</td>
<td>133</td>
<td></td>
<td>135</td>
</tr>
<tr>
<td>Ratio CEO compensation / median salary</td>
<td>14</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Variation of CEO compensation</td>
<td>1.9%</td>
<td>–2.1%</td>
<td>–3.8%</td>
</tr>
<tr>
<td>Variation of median salary</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Minimum full time salary in KCHF according to the CEA</td>
<td>52</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Performance Dialogues</td>
<td>95.0%</td>
<td>93.9%</td>
<td>91.4%</td>
</tr>
</tbody>
</table>

1 without fixed-term contracts of employment
2 without retirements
3 without apprentices
Fair supply chain

Swisscom’s partners supply the company with goods and services worth over CHF 4 billion a year. Swisscom is committed to fair and efficient partnerships with suppliers who share its social and environmental objectives and its values. Swisscom works together with them to protect human rights and the environment and is aiming to improve working conditions in the supply chain by 2025. To this end, Swisscom has entered into international partnerships which ensure that measures are implemented in close collaboration with suppliers.

Management approach

Swisscom is committed to improving the working conditions of its suppliers’ employees and to ensuring compliance with social and environmental standards throughout the supply chain. It requires its direct suppliers and their subcontractors to commit to acting in a sustainable manner.

The principles that Swisscom observes are enshrined in its purchasing policy. The Swisscom Purchasing Board, an overarching committee, determines the purchasing policy. This policy sets out the principles and procedures to be followed by the procurement organisations and stipulates the requirements that suppliers accept by signing the Corporate Responsibility Contract Annex (CRCA). Swisscom checks the fulfilment of these requirements by its suppliers with the aid of a structured risk management system, which it continuously expands in terms of its concept and which it implements in the purchasing organisation. The risk management system covers all the risk areas of the supply chain.

The measures that ensure a fair supply chain also actively contribute to risk management in the supply chain. They help to identify potential risks at an early stage or to deal with them quickly if they occur. This avoids reputational damage and financial losses. This management approach has proven its worth over many years. It is fostered and implemented successfully at Swisscom, and therefore is not currently in need of an update.

Overall responsibility lies with the Head of Group Business Steering; in addition, Swisscom employs a specialist unit for operational business and strategic orientation.

Risk management covers suppliers from Switzerland, the EU and overseas (North America and the Far East), most of whom are active in the ICT sector in the area of network infrastructure and merchandise.

Swisscom achieved a score of 73 out of 100 in the supply chain rating of the Dow Jones Sustainability Index (prior year: 74) and is included in the Carbon Disclosure Project (CDP) Supplier and Climate A List. Swisscom therefore continues to rank among the best telecommunications companies in the world.

Main risk factors in the supply chain

Human rights

Swisscom attaches great importance to the observance of human rights in the areas specified by the Social Accountability International (SAI) SA 8000 standard, which include child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, discipline, working hours and remuneration. Swisscom publishes its human rights guidelines on its website.

As part of its supplier risk management approach, Swisscom monitors suppliers systematically and in some cases on an annual basis (self-assessment/audits), with blatant shortcomings in human rights identified and continuously addressed through improvement measures.

Swisscom joined the UN Global Compact Initiative in 2019 and is actively committed to establishing the Innovators Network to Enable Human Rights (INHR) initiated by the Global e-Sustainability Initiative (GeSI). This network seeks initially to develop an “intelligence platform” which, based on big data and artificial intelligence, will uncover and report on current weaknesses in global supply chains.

Climate risks from CO₂ emissions

Climate change poses risks, e.g. in the form of increasing levels of precipitation as well as higher average temperatures and extreme meteorological events. These risks could compromise the manufacture of telecommunications products and network equipment and their transport into Switzerland, and thus have a negative effect on Swisscom’s market opportunities and operations. Swisscom’s greenhouse gas inventory shows that the majority of its CO₂ emissions are attributable to the supply chain – a fact Swisscom takes into account in its strategic priority on climate protection.

Raw materials

The raw materials contained in Swisscom’s various products come from a wide range of countries and regions. Questions are increasingly being raised on the origin of the raw materials used and the associated environmental and sociological risks.

Swisscom is addressing the issue of raw materials and has implemented the following measures in this regard in recent years:

- May 2016: In their “Stop benzene” petition in the summer of 2016, two aid organisations, Bread for all
and Fastenopfer, raised awareness of the risks associated with using benzene in the manufacture of mobile phones. For this purpose, they compiled a ranking of the largest Swiss sellers of mobile phones and the measures they were taking against benzene – Swisscom achieved the best result.

- Since 2017: Swisscom’s active collaboration on the Global e-Sustainability Initiative indirectly makes it a supporter of the Responsible Mining Initiative (RMI) of the Responsible Business Alliance (RBA). The goal of this initiative is to monitor the origin of conflict minerals more strictly. As a result, Swisscom has access to the initiative’s regular reports via GeSI.

See www.rba-online.org

Corruption
In its internal guidelines, Swisscom has established a policy of zero tolerance in its approach towards corruption. The guidelines are implemented through regular training, reviews and audits across the Group. In addition, Swisscom also requires its suppliers to comply with these guidelines. Swisscom expects neither its own employees nor any of its suppliers to grant or accept any undue advantages. Infringements may result in disciplinary actions for Swisscom employees, up to and including dismissal. If it is established that a supplier violated anti-corruption laws, they are reprimanded and, as a last resort, removed from the supply chain.

The circular economy is relevant to procurement. More details are given in the section on more for the environment.

Supplier risk management

Risk management system
Swisscom has implemented supply chain risk management (SCRM 360) in recent years and further consolidated it in the year under review. The comprehensive SCRM 360 approach enables it to reduce the risks not only in terms of the environment and society, but also with regard to finances, security, logistics and quality. Swisscom continuously checks external data sources using individual, weighted score cards (featuring more than 50 risk indicators). If a top 100 supplier, strategic supplier or critical supplier or one of the numerous upstream suppliers breaches a pre-defined threshold, the purchasing organisation is automatically notified. The top 100 suppliers are selected based on the following criteria: purchase volume, strategic importance and risk profile of the product groups.

Swisscom reviews and classifies product groups from the perspective of corporate responsibility on a regular basis. It decided to maintain the current risk structure and has completed a new critical revision of the list of suppliers in high-risk product groups. Of these, all of the major suppliers are already registered on the audit platform EcoVadis. For potential supply partners and, as a general rule, for invitations to tender, Swisscom applies the revised process for phasing in suppliers. In addition, risk monitoring via the SRN (Supply Risk Network) platform helps provide a first estimate of the overall risk of a supplier or upstream supplier.

Risk management procedure in the supply chain
Swisscom does not assess the risk of all its supply partners. Instead, it uses a filtering process to determine their real risk potential at an early stage, while at the same time reducing the number of supply partners to be assessed. Swisscom covers the entire supplier portfolio with its risk management procedure in the supply chain.
Filtering process: risk management procedure in the supply chain

In the first stage of the filtering process, Swisscom assesses all product groups in terms of their environmental and social risks using clearly defined criteria, with the individual product groups being assigned to one of three risk profiles – low, medium or high.

In the second stage, Swisscom then identifies the supply partners whose goods have been assigned to the high and medium risk profiles, taking into account a grid developed by Swisscom. Accordingly, it reviews the risks of these supply partners individually using clearly defined criteria. In addition to the risk profile of the product group, the procedure provides for other reasons for risk monitoring. Depending on the situation, Swisscom includes other suppliers in risk monitoring based on their risk profile. Where appropriate for risk avoidance purposes, the supply chain is also integrated into risk monitoring. Swisscom follows the same approach to determine the risks of potential supply partners. The results of the assessment are then taken into account when deciding on a possible collaboration.

In 2019, following this procedure, Swisscom’s risk monitoring registered over 450 suppliers, subcontractors and potential suppliers in almost 50 countries and more than 80 supply chains with roughly 450 delivery paths.

Overview and requirements of risk management in the supply chain

<table>
<thead>
<tr>
<th>Risk profile suppliers¹</th>
<th>Risk profile product groups²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers with high risk profile</td>
<td>Product groups with low risks</td>
</tr>
<tr>
<td>Suppliers with medium risk profile</td>
<td>Product groups with medium risks</td>
</tr>
<tr>
<td>Suppliers with low risk profile</td>
<td>Product groups with high risks</td>
</tr>
</tbody>
</table>

¹ The suppliers are classified according to the product groups.
² New suppliers, specific evaluations and re-evaluations take place via selective risk profile of the suppliers.

Self-declarations and self-assessments

Swisscom met its objective to assess 165 suppliers on the EcoVadis platform. Suppliers identified in the analysis were registered and invited to an assessment. In the year under review, Swisscom further consolidated and adjusted the portfolio. For example, it deactivated suppliers who had ceased to be relevant. Notwithstanding this, the suppliers concerned remain visible to other customers on the platform and may be invited by them to process corrective actions and reassessments as required.

As suppliers are continuously monitored in the core disciplines of environment, human rights, ethics and supply chain management, any deficiencies that may arise can be easily identified on the EcoVadis platform. The suppliers concerned are subsequently required to remedy the deficiencies by means of corrective measures using appropriate evidence and implementation is evaluated in the course of a reassessment, which is completed if successful.

Swisscom again carried out several accompanied reassessments during the reporting year. The suppliers concerned improved by an average of 9% versus the previous overall score as a result of the corresponding corrective measures. In addition, the average overall score for Swisscom suppliers improved again. With an average of 58.4 points, Swisscom suppliers performed significantly better in the year under review than suppliers recorded on the platform worldwide (several thousand), whose average overall score was 42.4 out of 100 points.

92% of Swisscom suppliers have already undergone one or more reassessments; this is otherwise only the case for 37% of all suppliers assessed on the platform. As part of the reassessments, Swisscom suppliers improved their overall score by an average of 11.4 points compared with the initial assessment (environment up 10.5 points, labour and human rights up 11.6 points, ethics up 10.2 points and sustainable procurement up 13.6 points).

In 2020, Swisscom intends to conduct another critical review of the list of suppliers in high-risk product groups. Swisscom also completed a reassessment of its own sustainability on the EcoVadis platform in 2019 and again improved its overall score and its sustainable procurement.
score. In an industry comparison, Swisscom is well above the average of 45 points thanks to an overall score of 79 out of 100 points. The overall score covers the entire Swisscom Group, including Fastweb.

Audits
Swisscom has been a member of the Joint Audit Cooperation (JAC) since 2011. In 2019, it took charge of five audits as part of its collaboration with the JAC. The JAC is a consortium of 17 telecom enterprises which checks, assesses and promotes measures intended to safeguard social responsibility in the production centres of the major multinational ICT suppliers. The audits identify negative social or environmental impacts and take appropriate measures to address them.

The JAC members set the audit agenda, check the audit reports and monitor the progress of the planned corrective measures in regular teleconferences. These regular conferences and the exchange of best practices help to improve the sustainability criteria assessments and make the JAC initiative even more efficient. The JAC steering committee, which is made up of representatives from the top management level of the members’ sustainability and procurement areas, meets four times a year to review the audit campaign, decide on how to proceed and launch new projects.

In addition to the normal sustainability audits, the partner organisation Good World Solutions (Elevate) again conducted mobile surveys in 2019. Workers answered questions about their working conditions on their mobile phones outside the factories. These mobile surveys are a survey method that offers a great deal of potential for the future. The JAC launched a total of 20 mobile surveys in the year under review.

The JAC initiative extended its measures in 2019 through, among other things, the JAC Academy, which conducts targeted sustainability training at the premises of suppliers, and the JAC Awards, which honoured the best performances in the area of sustainable supply chain management for the third time in 2019. The certificates are awarded annually at the JAC CSR Forum in China.

In the first phase of the initiative, the Circular Economy (CE) working group set up by the JAC initiative in 2018 focused on cross-sector exchange with the Ellen MacArthur Foundation and worked on principles such as CE standard criteria for tenders. In the fourth quarter of 2019, the JAC initiative established another working group on climate change. The aim of this working group is to reduce CO2 emissions in the supply chain. Swisscom is involved in both working groups.

Audit results
In total, 124 audits of suppliers were carried out within the JAC network in 2019 (prior year: 116). The proportion of audits at supply partners (tier 2/3 suppliers) was 72%.

The audits involved production facilities, most of which are located in China, Taiwan, India, Japan, South Korea and South America. A limited number of instances of non-conformity and various types of non-compliance were noted in the audits carried out in 2019. The instances of non-compliance mainly concern working hours, occupational safety, environment, wages and health and safety issues. The audits also identified 26 cases of discrimination and the employment of minors. The time period for rectifying the problems depends on the type of non-compliance. Due to the impact on the human resources of the company concerned, rectifying irregularities with respect to working hours in particular (e.g. limiting regular working hours and overtime) generally requires several months.

The JAC initiative has conducted a total of 639 audits in 36 countries on four continents since 2010. These audits have covered 1.3 million employees and identified 3,975 cases of shortcomings, with 484 cases yet to be resolved.

The table lists the shortcomings still outstanding in the year under review:

<table>
<thead>
<tr>
<th>Number of issues</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety</td>
<td>97</td>
<td>177</td>
<td>166</td>
</tr>
<tr>
<td>Working hours/overtime</td>
<td>63</td>
<td>84</td>
<td>69</td>
</tr>
<tr>
<td>Business ethics</td>
<td>37</td>
<td>49</td>
<td>38</td>
</tr>
<tr>
<td>Child and juvenile labour</td>
<td>2</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Remuneration</td>
<td>11</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Environment</td>
<td>28</td>
<td>56</td>
<td>69</td>
</tr>
<tr>
<td>Forced labour and discrimination</td>
<td>14</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Disciplinary practice and freedom of association</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

The audits identified 567 shortcomings in the year under review. Of those still outstanding, the majority are connected to issues involving working hours, occupational safety and the environment. The shortcomings in terms of the employment of young people relate to excess hours or night shifts, but not child labour. The cases of discrimination that have been highlighted involve cases of inadequate formalisation of contracts, but not forced
labour. Environmental shortcomings refer to the storage of chemical products and the lack of environmental reports.

As part of the audits, deadlines are agreed for the concrete implementation of improvements, which usually amount to three, six or twelve months. In the case of instances of critical non-compliance, Swisscom can generally terminate the collaboration with the supplier. Thanks to the tried and tested, systematic risk management approach, such serious cases have not yet arisen.

The individual JAC members continuously address the shortcomings identified. The collected data is updated regularly and discussed in the steering committee.
Swisscom cares about the environment. Together with its customers, it is aiming to save significantly more CO₂ than it emits throughout the entire company, including the supply chain, by 2025. The savings should exceed its own emissions by 450,000 tonnes, which corresponds to 1% of Switzerland’s greenhouse gas emissions.

**Energy efficiency and climate protection**

**Management approach**

Together with its customers and stakeholders, Swisscom is aiming to make a significant contribution to protecting the climate and reducing CO₂ emissions in Switzerland. In its role as an IT and telecommunications provider and as a major consumer of energy, Swisscom is intensively and proactively concerned with climate protection. This is reflected in the 2025 Sustainability Strategy. Swisscom has set itself the target of limiting its CO₂ emissions from its operating activities and in the supply chain to 400,000 tonnes between 2020 and 2025.

At the same time, Swisscom intends to save a total of 850,000 tonnes of CO₂ through its portfolio and together with its customers by 2025. To this end, it promotes and develops services that enable people in Switzerland to adopt a climate-friendly lifestyle – for example, through services for Work Smart, for remote monitoring and optimisation of vehicles, machines and buildings, and for climate-friendly cities. The savings should exceed its own emissions by 450,000 tonnes, which corresponds to 1% of Switzerland’s greenhouse gas emissions. This will make a significant contribution to climate protection.

Periodic analyses of the effect that Swisscom has on the environment show that its energy consumption has the greatest impact on the environment. This is therefore the most important lever for reducing CO₂ emissions. To this end, Swisscom will focus even more strongly on renewable energies in future, taking a significant step forward here as it operates the largest telecommunications and IT infrastructure in Switzerland and one of the largest fleets of company and commercial vehicles. In addition, there are numerous properties, consisting of offices, business premises, shops and data centres, as well as work areas for the 16,628 employees. In line with the Confederation’s 2050 energy strategy, Swisscom’s sustainability strategy for 2020 to 2025 aims to increase its energy efficiency by 25% on the basis of current scenarios.

Swisscom manages all measures to protect the climate using an environmental management system. Norms, standards and internal directives allow the planned saving and efficiency measures to be systematically implemented. All subsidiaries with operations that are of significant environmental importance are certified according to ISO 14001 and ISO 9001. These are Swisscom (Switzerland) Ltd, Swisscom Broadcast Ltd and cablex Ltd. The Italian subsidiary Fastweb S.p.A. is also ISO 14001-certified. The environmental management system used and its efficiency are subject to an annual external audit. Swisscom has defined its objectives in the context of current scenarios. These form the basis for the various target agreements that it has concluded with its partners, the Energy Agency of the Swiss Private Sector (EnAW), the federal “Exemplary in energy” initiative (VBE), and the Science Based Targets Initiative (SBTI).

This section explains measures in the area of energy efficiency and climate protection. It ends with an evaluation of the achievement of objectives and key figures for the individual measures.
Energy efficiency in operations

Energy management according to the standard

Through systematic energy management, Swisscom is increasing its efficiency, reducing costs, and keeping the company’s direct and indirect carbon footprint as small as possible. In line with ISO Standard 50001 on energy efficiency, Swisscom’s energy management approach consists of the following process steps:

- Determining energy requirements over a specific period
- Defining and approving energy efficiency targets and corresponding measures
- Determining the energy mix, particularly the electricity mix
- Implementing energy efficiency measures
- Generating own electricity
- Utilising waste heat
- Monitoring, energy balancing and reporting
- Implementing research and development projects (e.g. relating to balancing energy) and virtual power plants (tiko)
- Developing and marketing sustainable ICT products and services

Energy from renewable sources and electricity mix

Swisscom pays attention not just to the quantity of electricity consumed, but also to its quality and therefore to the carbon footprint of the energy used. For the most part, Swisscom uses hydropower or solar energy which it either produces itself or purchases. It is continuing the trend of avoiding energy from fossil fuels and covering more and more of its energy needs with electricity. In 2019, the expansion of the Swisscom network caused an increase in electricity consumption. Swisscom offset some of this through efficiency measures. Swisscom also uses certificates of origin to compensate for the share of nuclear power, electricity of unknown origin and electricity from fossil fuels contained in the electricity mix. As a result, the proportion of renewable energy used in the year under review, as in previous years, was 100%, as verified by the independent inspection authority SGS.
Modern networks
A comprehensive efficiency programme at Swisscom ensures that efficiency measures are realised in the networks. Through new architectures, the use of improved technologies, more energy-efficient processes (e.g. fresh air cooling for base stations in the mobile network) and the dismantling of obsolete network elements (e.g. TDM platform), Swisscom saved 40.3 GWh in the fixed broadband network and mobile network in 2019.

Economical data centres
Swisscom achieved an average PUE (power usage effectiveness) value of 1.35 in its data centres in 2019 (prior year: 1.37). The PUE value represents the ratio of total power consumed by a data centre to the power consumed by the IT systems running there. The most efficient Swisscom data centre is located in Berne Wankdorf, which achieved a PUE value of 1.33 in 2019 (target value: 1.2). In order to further boost the efficiency of its data centres, Swisscom is focusing primarily on server virtualisation. As a result, it requires less IT infrastructure and therefore less energy for the same performance.

Smart buildings
Swisscom monitors and improves electricity consumption in buildings as part of efficiency measures in accordance with the internal Pioneer standard. In 2019, the corresponding checks helped optimise the operating conditions of around 90 buildings, saving 1,044 MWh of energy, 30% of this as a result of lighting measures alone.

Savings in fuel consumption and heat
Swisscom measures the consumption of heating oil, natural gas, district heating and water on a monthly basis in its 120 largest buildings. Together, these buildings account for more than half of the total floorspace. Swisscom then extrapolates these figures to calculate the overall annual consumption. Adjustments to the heating mix – such as by using biomass (wood) as a supplementary energy source – has caused the energy consumption of the buildings to fall. Together with the lower heating degree days, this has led to a reduction in CO₂ emissions in recent years. The monthly measurements have also revealed cases of disproportionately high energy consumption, which have been optimised.

As part of a large-scale efficiency programme, Swisscom has been replacing all heating systems that were due to be refurbished with CO₂-free systems since 2016. The new heating systems generate heat by means of heat pumps, biomass (wood) and, where possible, heat recovery from their own operation. They are contributing to the shift from fossil fuels to electricity to cover energy needs, while at the same time increasing efficiency.

Seamless mobility
Swisscom’s employees depend on needs-oriented mobility and a modern vehicle fleet for their very different activities. A sustainable procurement strategy has been set up to reduce average CO₂ emissions per car from 113 g of CO₂ per kilometre to 95 g by the end of 2020. With the procurement of vehicles, Swisscom targets energy-efficient models and increasingly electric vehicles. In accordance with the New European Driving Cycle (NEDC), CO₂ emissions from vehicles in the Swisscom fleet according to manufacturer’s information averaged 101 g of CO₂/km as of the end of 2019, with 88.6% of the fleet classified in energy efficiency categories A and B. Swisscom is also working on a new overall concept to further optimise the distribution of chargers and parking spaces.

Own electricity
For more than ten years, Swisscom has been generating and using its own electricity. It sees this as an important contribution to sustainable energy supply in Switzerland. For this reason, photovoltaic systems are always installed for roof renovations, if this makes economic sense. Swisscom commissioned numerous new solar installations on transmitter stations (56 kWp) or operation buildings (817 kWp) in 2019. The total output of Swisscom’s 82 solar installations is 3,163 kWp and electricity production is 3 GWh. The largest installation (output of 730 kWp) went into operation on the roof of Swisscom’s headquarters in Worbлаufen in November 2019. Swisscom has set itself the target of achieving a total output of more than 4,000 kWp by 2023 with full utilisation of its estimated potential of 4.5 GWh by its own locations.

Using waste heat
Several Swisscom buildings fully cover their heating requirements with waste heat from the IT infrastructures in the operating rooms. For example, a heat pump installed in the operation building in Zurich Herdern supplies the heating energy needed for the entire building, enabling Swisscom to save around 900 tonnes of CO₂ a year. This corresponds to 9% of the total CO₂ emissions attributable to Swisscom’s heating needs. In addition, Swisscom has agreements to supply waste heat from its operation buildings or data centres to district heating associations or neighbouring areas. Swisscom feeds waste heat into the district heating system in Zurich Herdern, Zurich Binz, St. Gallen and Berne Wankdorf to directly heat residential and office buildings in the neighbourhood. In 2019, Swisscom fed 8.8 GWh of thermal energy into neighbouring areas as district heating (prior year: 8.4 GWh), saving 880,000 litres of heating oil (prior year: 840,000 litres).
Climate protection through customers and portfolio
Swisscom is always committed to the use of sustainable ICT services, both among its customers and within its own company. It provides some of the necessary solutions itself, while other solutions are offered by SMEs or start-ups on the basis of Swisscom’s technical infrastructure. One of these that needs to be mentioned is the low power network (LPN), which has become the backbone for many new services in the area of the Internet of Things throughout Switzerland since 2016.

In the year under review, Swisscom revised its sustainability recognition system to highlight sustainability messages about Swisscom products and services in communications. Products and services with sustainability recognition stand out in that they make a significant contribution to ecological and social sustainability. Independent partner organisations – Pro Familia for the social aspects and myclimate for the ecological aspects – examine the corresponding added value. A list of the relevant products can be found on the Internet.

For residential customers
• **Smart energy**: tiko Energy Solutions Ltd, in which Swisscom holds a minority interest, provides smart energy services via a virtual power plant. Residential customers use tiko to manage the energy consumption of their heat pumps, electric heaters and boilers in a targeted manner and are informed at an early stage in the event of faults. In addition, the service regulates fluctuations in the power network via a pool and integrates renewable energy from sources such as wind and sun. tiko sun increases the consumption of self-produced energy from the customer’s own photovoltaic system, and deliberately puts heat pumps or boilers into operation as soon as solar power is produced. tiko storage temporarily stores electricity from the solar installation in an environmentally friendly battery, thus increasing the share of self-produced energy consumed. Customers can make their system available for the production of balancing energy and receive financial compensation for doing so.

For business customers
• **Virtual conferences**: Realistic video conferencing and telepresence solutions eliminate the need for numerous journeys for corporate customers as well as for Swisscom employees.
• **Work Smart**: Collaboration platforms with video, chat and filing functions allow people to work from home or on the go. The launch of the Work Smart initiative has embedded new working methods within the company, and Swisscom shares its knowledge with other companies.
• **ICT solutions for buildings**: Networked and smart devices and applications allow buildings or transport systems to be operated more efficiently than before. For example, the smart control of heating systems, boilers, solar installations and batteries enables corporate customers to optimise their energy consumption, reduce their CO₂ emissions and produce balancing energy.
• **Smart city**: In several Swiss cities, Swisscom provides the platform for smart solutions that control and optimise logistics and transport systems. For example, networked waste containers optimise collection routes within city limits. In addition, the measurement of anonymised customer data maps the traffic flows for urban traffic planning. In 2019, Swisscom also launched its first project to evaluate anonymised mobility data from the mobile network for companies. The corresponding analyses make it possible to measure CO₂ emissions from business and commuter traffic, evaluate the efficiency of the company’s work smart culture and plan new solutions, for example in the field of electromobility.
• **Data centre services**: Outsourcing the server infrastructure to efficient data centres and using Swisscom’s cloud services helps companies to achieve greater efficiency, security and scalability, and enables them to save money and energy.
• **Dematerialisation**: Various collaboration solutions from Swisscom support paperless work and reduce paper consumption.

De See www.tiko.ch/sustainableproducts

For residential customers
• Smart energy: tiko Energy Solutions Ltd, in which Swisscom holds a minority interest, provides smart energy services via a virtual power plant. Residential customers use tiko to manage the energy consumption of their heat pumps, electric heaters and boilers in a targeted manner and are informed at an early stage in the event of faults. In addition, the service regulates fluctuations in the power network via a pool and integrates renewable energy from sources such as wind and sun. tiko sun increases the consumption of self-produced energy from the customer’s own photovoltaic system, and deliberately puts heat pumps or boilers into operation as soon as solar power is produced. tiko storage temporarily stores electricity from the solar installation in an environmentally friendly battery, thus increasing the share of self-produced energy consumed. Customers can make their system available for the production of balancing energy and receive financial compensation for doing so.

For business customers
• Virtual conferences: Realistic video conferencing and telepresence solutions eliminate the need for numerous journeys for corporate customers as well as for Swisscom employees.
• Work Smart: Collaboration platforms with video, chat and filing functions allow people to work from home or on the go. The launch of the Work Smart initiative has embedded new working methods within the company, and Swisscom shares its knowledge with other companies.
• ICT solutions for buildings: Networked and smart devices and applications allow buildings or transport systems to be operated more efficiently than before. For example, the smart control of heating systems, boilers, solar installations and batteries enables corporate customers to optimise their energy consumption, reduce their CO₂ emissions and produce balancing energy.
• Smart city: In several Swiss cities, Swisscom provides the platform for smart solutions that control and optimise logistics and transport systems. For example, networked waste containers optimise collection routes within city limits. In addition, the measurement of anonymised customer data maps the traffic flows for urban traffic planning. In 2019, Swisscom also launched its first project to evaluate anonymised mobility data from the mobile network for companies. The corresponding analyses make it possible to measure CO₂ emissions from business and commuter traffic, evaluate the efficiency of the company’s work smart culture and plan new solutions, for example in the field of electromobility.
• Data centre services: Outsourcing the server infrastructure to efficient data centres and using Swisscom’s cloud services helps companies to achieve greater efficiency, security and scalability, and enables them to save money and energy.
• Dematerialisation: Various collaboration solutions from Swisscom support paperless work and reduce paper consumption.

De See www.swisscom.ch/billonline
Sustainability Report | More for the environment

- Mobility analyses of companies, cities, municipalities and events: On the basis of anonymised mobility data, Swisscom creates mobility analyses that help companies, cities, municipalities and events to optimise transport planning and protect the climate. Swisscom drew up the first such analyses in 2019, and they will be offered systematically as a product over the years to come.

See www.swisscom.ch/billonline

For all sustainable offerings for residential and business customers, see under:

See www.swisscom.ch/sustainableproducts

The energy consumed by customer devices can be extrapolated to 304 MWh based on the power consumption of each device and the typical usage profiles. Swisscom makes its customers aware of the many options available for reducing energy consumption, as well as offering concrete solutions:

Saving energy is so easy: Swisscom wants to encourage its customers to save energy through transparency and awareness. Customers receive all the information on the energy consumption of end devices such as routers and TV set-top boxes. On Swisscom's website you will also find the settings for energy-optimised operation of your devices.

See www.swisscom.ch/save-energy

Swisscom TV: Despite a steady growth in customer numbers at Swisscom TV, Swisscom has reduced the energy consumption of all set-top boxes in operation from 80 GWh to 62 GWh since 2013. This was achieved thanks to extensive efficiency improvements in the box as well as the software or operating system.

More and more customers are now using the efficient UHD box. Swisscom also launched the Swisscom Box at the end of 2019. This box is a new development and offers a new TV and entertainment experience.

Router: The current Internet Box 2 offers several energy-saving features. One is a time switch allowing users to set times during which the Wi-Fi, central storage or telephony (Digital Enhanced Cordless Telecommunications – DECT) functions are switched off. Furthermore, the Internet Box 2 means fewer devices are used in the home network. This is because the box replaces the multiple devices that used to be required to connect computers, TVs and HD fixed-line telephony wirelessly, thereby significantly reducing energy consumption. Swisscom launched the Internet Box 3 at the end of 2019. With a similar power consumption, the new box is even more powerful than its predecessor.

Sustainable use of resources and circular economy – management approach

It takes not only energy but also a multitude of other resources, such as paper, water or land, to operate telecommunications networks. Careful handling of these is not only sensible from an economic perspective, but also essential from an ecological point of view.

Swisscom therefore continuously develops its operational environmental compatibility and its sustainable use of resources in accordance with ISO 14001. It intends to reduce consumption in its operations and as an operator or at worst to limit it to the same level as in the previous year. As the annual review of targets and progress achieved shows, reduction targets or measures that do not affect energy consumption only lead to minor improvements in relative terms.

The resources used by Swisscom are finite, and in some cases scarce. It is therefore not only the choice of materials that plays a central role; the use and service life of the materials also make an important contribution to determining the carbon footprint. The longer a resource is used, the more eco-efficient it is. Both manufacturers and, above all, retailers and telecommunications companies have become aware that the linear economy, however efficient it may be, must be replaced with a completely closed circular economy throughout the value chain. Such a circular economy enables resources to live a second life and relieves the environment thanks to reductions in waste and emissions.

Swisscom plays an important role in the circular economy on the Swiss market as a supplier of merchandise (mobile phones, etc.) and self-developed and branded devices (e.g. TV boxes and routers) and also as a network operator. Its innovations enable even better products and services for customers, while eliminating the need for outdated platforms. An example of this is the dismantling of the previous TDM transmission technology: The existing fixed network is no longer needed after the complete migration to All IP. In keeping with circular economy principles, its components are set to be returned to the cycle instead of being disposed of.

Based on the commitments of its sustainability and supply chain strategy, Swisscom has prepared an internal circular economy analysis. The analysis structures the business activities and framework conditions, and also reveals strengths and action areas. A separate working group, consisting of internal experts and led by the sustainability team, is dedicated to the implementation of the knowledge gained. The working group coordinates the Group-wide circular economy programmes by exploiting synergies and challenging the status quo. It also reports on key figures and supports major projects.
from a circular economy standpoint. The decision-making authority lies with the line managers.

The following sections describe the measures in relation to the circular economy and the sustainable use of resources which go beyond energy use:

### Circular economy

#### Measures

Swisscom enables resources used in its operations to be returned to the cycle via its recycling, repair and reuse initiatives and provides its customers with straightforward offers for the reuse of materials and resources.

---

**Reuse of packaging**

Customers play a major role and contribute to a successful circular economy. After all, they decide what will happen to their products and packaging after use. On the new “ReThink” website, Swisscom outlines tips on how to reuse packaging. This makes it easy for customers to reduce the amount of waste.

See www.swisscom.ch/rethink

Swisscom has also further developed its packaging concept to facilitate reuse. The “ReBox” packing box without any branding on it can be reused independently. It has been tested with the new Internet Box 3 product and will gradually be adapted to suit our other products.

**Return of materials**

Swisscom introduced the new “Take me back” programme in 2019. This complements the existing options in reverse logistics. Selected routers contain return labels that can be used to return faulty devices.

See www.swisscom.ch/material

**Repairs**

If a device happens to be faulty, Swisscom offers on-site repairs within 24 hours at its nine repair centres. It even provides a fee-based express service for repairs within three hours. If a phone has to be sent in to the manufacturer for repair, the service takes nine days on average. One in five mobile phones purchased from Swisscom will be repaired by Swisscom at least once during its lifetime and will not have to be replaced. Most repairs relate to cracked displays or remedying battery and software problems. The manufacturer’s warranty remains intact thanks to the certified specialists involved and the use of original parts.

In 2019, Swisscom repaired 23,654 mobile phones at its repair centres. This corresponds to 23% of the total repairs that Swisscom receives.

**Swisscom Buyback**

For greater clarity, Swisscom’s “Mobile Bonus” scheme, which offers to buy back old devices, was renamed “Buyback” in 2019. Similarly, the business customer initiative “Mobile Bonus Business” was renamed “Buyback Business” in 2019. The renaming took place in early 2019 as part of the separation of equipment and subscription prices, i.e. the termination of equipment subsidies via subscriptions.
**Swisscom Mobile Aid**

Returned but functional devices also have the potential for reuse. In 2019, Swisscom Mobile Aid collected 86,000 used mobile devices that had been returned by consumers. Swisscom sold around a third of these devices via a third-party company to countries where there is demand for low-priced second-hand devices. All proceeds from the sales went to the social enterprise réalise in Geneva and the SOS-Kinderdorf Schweiz relief organisation.

Réalise inspects and sorts the devices collected, separates working devices from faulty devices, deletes the data from working devices and prepares them for resale. Devices that can no longer be sold are professionally recycled by a SWICO-licensed company. The initial stages are carried out by the recycling company Solenthaler Recycling AG together with Dock Gruppe AG. Dock Gruppe AG helps long-term unemployed people to reintegrate into the workforce. Compared to the previous year, the total response rate rose to 15.9% (2018: 9.9%).

**Sustainable resources for own products**

For its own products, Swisscom strives continuously to use new, more sustainable materials that are reused from other sources. Swisscom has carried out a pilot project with new biopolymers derived from 100% renewable material and used as plastic substitutes. This material cannot be mass produced yet. In 2020, Swisscom will continue to work on making its own products more and more sustainable and compliant with circular economy principles.

**Use of other resources**

Swisscom intends to reduce the consumption of resources in its operations and as an operator or at worst to limit it to the same level as in the previous year.

**Paper**

Swisscom distinguishes between the deployment of short-life and long-life materials and is committed to reducing the environmental impact of short-life materials, in particular paper. It continued the switch towards paperless online invoicing in the year under review. In addition, it increased the willingness of customers to switch by introducing charges for sending paper invoices and cash payments. As a countermeasure, Swisscom introduced free cash payments in the Swisscom Shop. In everyday office life, “Follow-Me Printing” reduced the number of print jobs. However, since the entirely paperless office remains a vision of the future for the time being, Swisscom ensures that the paper used comes from a sustainable source. In its office operations and for telephone directories (with their declining circulation), Swisscom uses recycled paper with the “Blue Angel” environmental label. For advertising or print media, it uses only paper with the FSC (Forest Stewardship Council) label.

<table>
<thead>
<tr>
<th>In tonnes</th>
<th>Quality</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office (copiers, printers) (80 g/m² = 5 g/sheet)</td>
<td>Blue Angel</td>
<td>76</td>
<td>69</td>
<td>59</td>
</tr>
<tr>
<td>Print media</td>
<td>FSC Label</td>
<td>2,011</td>
<td>1,710</td>
<td>1,488</td>
</tr>
<tr>
<td>Bills and envelopes (envelopes = 6 g/per envelope)</td>
<td>FSC Label</td>
<td>394</td>
<td>362</td>
<td>307</td>
</tr>
<tr>
<td>Phone directories</td>
<td>Blue Angel</td>
<td>1,963</td>
<td>1,567</td>
<td>1,383</td>
</tr>
<tr>
<td>Total paper consumption</td>
<td></td>
<td>4,444</td>
<td>3,708</td>
<td>3,237</td>
</tr>
</tbody>
</table>

1 75% 2 Derived from experience from previous year 3 88% Blue Angel, 12% FSC Label

**Cables, optical fibres and telephone masts**

In 2019, as in the previous year, Swisscom used the following materials in its fixed network: optical fibre, copper pairs and eco-friendly polyethylene piping.

However, it has adapted the use of these materials. For example, Swisscom still uses copper in the distribution network, but it is increasingly replacing this with optical fibre where possible. The roll-out of Fibre to the Street and Fibre to the Home also enables broadband usage of the existing copper cable over the last few metres. Swisscom is not installing any new large-wire copper cables in the trunk zone.

The number of telephone masts is rising on the back of the network expansion. At the same time, the number of faulty masts is falling due to preventive checks. The number of masts requiring refurbishment is heavily dependent on the number of telephone masts subject to inspection each year as well as on environmental influences (storms, snow, etc.). Three partner companies guarantee the environmentally friendly disposal of old masts.

Swisscom has introduced a biological process for treating masts in the ground. This product called Avengelus, which has been given the Innovation Award by Empa, consists of fungi of the species Trichoderma and combats copper-resistant rot fungi in a natural manner. This prolongs the service life of the masts.
More for the environment

Heat load and the unfavourable room situation make cool-base stations that allows a rapid and cost-effective cooling of telecommunications equipment with outside air throughout the year and does not require any additional coolant. In collaboration with an external company, Swisscom has installed a cooling module for the mobile coolant. In cooperation with an external company, Swisscom has installed a cooling module for the mobile coolant.

The cold rooms or refrigeration appliances are supplied with cooled water as the refrigerant, which circulates in a closed circuit and therefore causes no consumption. The cold rooms or refrigeration appliances are supplied with cooled water as the refrigerant, which circulates in a closed circuit and therefore causes no consumption.

Water

The daily average water consumption at Swisscom in 2019 was 47.8 litres per FTE. This calculation is based on a monthly measurement in the largest building and is multiplied by the number of average FTEs in the year under review. The measurement covers more than half of Swisscom’s FTEs and is therefore representative.

Swisscom aims to reduce its water consumption and has introduced several measures to this end. As part of the process of operational optimisation (Pioneer project), it has installed flow limiters in its existing buildings. During renovation work, it fits advanced valves with a reduced flow rate which lowers the daily consumption of water by 90% compared to traditional products.

Swisscom’s data centres generate a lot of heat and must be re-cooled in order to function properly. For this purpose, Swisscom uses dry or hybrid cooling. For the latter, Swisscom prefers to use rain water or, if permitted, river/lake water. An anti-freeze agent (glycol) with a low environmental impact is added to the heat transfer medium during the winter. In the case of the data centre in Berne Wankdorf, the proportion of rain water used for cooling return air must be higher than 80%, and operation of the return air coolers using water may not exceed 15% of the total annual operating time.

Water used for cooling therefore accounts for significantly less than Swisscom’s total water consumption. The cold rooms or refrigerator appliances are supplied with cooled water as the refrigerant, which circulates in a closed circuit and therefore causes no consumption.

Cooling systems and refrigerants

Wherever technically possible, Swisscom has replaced coolant-using compression cooling systems in its premises with the advanced Mistral cooling method. Mistral cools the telecommunications equipment with outside air throughout the year and does not require any additional coolant. In collaboration with an external company, Swisscom has installed a cooling module for the mobile base stations that allows a rapid and cost-effective conversion to cooling with fresh air. Swisscom now only operates compression cooling systems with coolant in data centres or in very densely packed centres where the high heat load and the unfavourable room situation make cooling with fresh air more difficult. Swisscom regularly checks that there are no refrigerant leaks in its systems. The quantity of refrigerant emissions in the year under review was determined on the basis of a refill volume of 154 kg (prior year: 100 kg). This has a global warming potential (GWP) of 153 tonnes CO₂ equivalent (prior year: 118) and no ozone-depleting potential (ODP, 0 kg R-11 equivalent). Swisscom uses natural low GWP refrigerants (GWP value less than 150) with an extremely low global warming potential (GWP = 6) as standard for the conversion or expansion of cooling systems in data centres.

Batteries and emergency power systems

Swisscom services must be available in the event of power outages. To ensure this, the company has installed batteries and emergency power systems at telecommunications buildings and data centres. Swisscom regularly reviews the prescribed safety measures in the battery rooms to prevent any danger to the environment through the use of batteries. At the end of their life cycle, it has the batteries disposed of and recycled in an environmentally friendly manner. The emergency power systems are only used during power outages and for a few hours a year during annual test runs. The necessary fuel consumption is included in the overall figure of the fuel consumption of Swisscom.

Waste

Swisscom undertakes to avoid waste and selects products partly based on their life cycle. Its recycling management includes working with partner companies to ensure that waste is reused wherever possible. The volume of waste is therefore on a downward trend and the majority of waste is recycled.

Waste is categorised according to the Ordinance on Handling Waste (VeVA) and falls under the four main categories of recycling, household waste, operational waste disposed of in municipal solid waste incinerators, and special waste that is subject to inspections (refrigerants with waste code 14 06 01, batteries with waste code 16 06 01 / 16 06 98, old wooden telephone masts with waste code 17 02 97 and fluorescent lighting tubes with waste code 20 01 21). The waste is separated into 25 sub-categories, and Swisscom records the corresponding data. If there is a maintenance agreement with authorised third parties, these dispose of the special waste. Swisscom does not record information on such waste.
waste. This includes used oil with waste code 13 03 07 and scrap wood from construction sites with waste code 17 02 97. Leftover cables and building materials are sorted on the construction site and disposed of directly. The volume of in-house household waste is calculated by extrapolating the actual figures recorded in 2016 at six major Swisscom locations throughout Switzerland. The calculation multiplies the number of full-time equivalent employees at Swisscom in Switzerland by the average calculated volume of 40 kg per FTE. For the disposal of such waste, there are contracts in place with Swiss Waste Exchanges and other external partners.

<table>
<thead>
<tr>
<th>Waste categories</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2019 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>2,036</td>
<td>2,749</td>
<td>3,008</td>
<td>62.4%</td>
</tr>
<tr>
<td>Domestic waste disposal in incineration plants</td>
<td>721</td>
<td>695</td>
<td>623</td>
<td>12.9%</td>
</tr>
<tr>
<td>Operational waste disposal in incineration plants</td>
<td>2,871</td>
<td>923</td>
<td>1,168</td>
<td>24.2%</td>
</tr>
<tr>
<td>Special waste</td>
<td>39</td>
<td>18</td>
<td>23</td>
<td>0.5%</td>
</tr>
<tr>
<td>Total waste</td>
<td>5,647</td>
<td>4,385</td>
<td>4,822</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Swisscom (Switzerland) Ltd base stations: 72 mobile radio base stations (four more than last year; equivalent to 1.51% of the 4,757 macro-antennas) are located in the Ramsar and Emerald protection areas, water protection areas, bird sanctuaries or moorlands, two of which are in the Swiss National Park. The lower number of base stations compared to the prior year is based on a new counting method, which no longer takes account of microcells as these do not require the ground to be sealed.

When Swisscom dismantles decommissioned transmitter stations, it rehabilitates the ground in accordance with internal guidelines issued by Swisscom Broadcast Ltd. In 2019, Swisscom dismantled three stations and restored the ground affected to its natural state.

**Protection of the landscape and building land**

The base and transmitter stations ensure that the whole of Switzerland has access to telecommunications, radio and TV services and form the backbone of every mobile network. When positioning these antennas, Swisscom focuses not only on radio technology aspects, but also on their seamless integration into the landscape and townscape as well as the efficient utilisation of the building land. Swisscom guarantees that as little surface area is sealed as possible. The search for a suitable location requires an inspection of the site and complies with an inventory of sensitive locations and buildings. In the year under review, Swisscom operated stations in the following locations:

**Swisscom Broadcast Ltd transmitter stations:** As in the previous year, there are five locations of Swisscom Broadcast Ltd in Emerald areas and two on the edge of an Emerald area or on the edge of moorlands. One other location stands in moorlands (protected area of national significance).

**Other air emissions**

Besides CO₂ emissions, burning fossil fuels for heating and transport also produces NOₓ and SO₂. These emissions are determined using the relevant conversion factors and depend on the amount of vehicle fuel and heating fuel consumed. The reduction target for CO₂ also applies to NOₓ and SO₂, since all these gases originate from the same combustion processes (heating or engines). Swisscom is reducing CO₂, NOₓ, and SO₂ emissions by continually optimising heating boilers and drive motors. The emissions are listed in the table of environmental key figures.

See report page 52
Sustainable supply chain – management approach

Swisscom’s partners supply the company with goods and services worth over CHF 4 billion a year. Swisscom is committed to fair and efficient partnerships with suppliers who share its social and environmental objectives and its values. To this end, Swisscom has entered into international partnerships which ensure that measures are implemented in close collaboration with suppliers. The following section highlights the partnerships for sustainable procurement with regard to environmental issues. More information on the management approach, social responsibility in the supply chain and the results of the audit can be found in the chapter fair supply chain.

Carbon Disclosure Project

In the year under review, Swisscom continued to develop its cooperation with the Carbon Disclosure Project (CDP). The CDP is a non-profit organisation founded in 2000. The organisation encourages companies to publish relevant environmental data. Once a year, the CDP, on behalf of investors, uses standardised questionnaires to collect data from companies on a voluntary basis with regard to CO₂ emissions, climate risks and reduction goals and strategies. The CDP maintains the world’s largest database of this kind.

As part of its cooperation with the CDP, Swisscom contacted and surveyed 77 (prior year: 77) of its key suppliers. The suppliers surveyed have a high order volume or a high degree of environmental relevance. The response rate was 92%, which allowed the survey to be brought to a successful conclusion. The results processed by the CDP are partially incorporated into the EcoVadis platform and used as a basis on which to comprehensively assess Swisscom’s key suppliers.

The supply chain is responsible for the bulk of the Scope 3 emissions. CO₂ emissions in the supply chain therefore play a fundamental role in climate protection. Thanks to the emissions data that the CDP collects from suppliers, Swisscom has a reliable basis for determining the carbon footprint and reduction targets for itself (Science Based Targets) as well as for selected key suppliers.

Global e-Sustainability Initiative

As part of the Global e-Sustainability Initiative (GeSI), the world’s leading ICT providers are committed to sustainable change using new technologies. GeSI has heavily geared its organisation and activities towards the Sustainable Development Goals (SDGs). Swisscom works within the GeSI framework in a variety of projects, e.g. to promote fair and sustainable supply chains. Swisscom also plays an active role in sustainability projects. These projects include the new SMARTer2030 Report, the establishment of the Innovators Network to Enable Human Rights (INHR), and the ongoing further development of E-Tasc as a comprehensive platform for supplier self-assessments and audits. As part of the Better World Program, Swisscom is helping to implement model procedures at selected suppliers in various disciplines.

Promoting the circular economy

As part of the collaboration with the JAC initiative and GeSI, Swisscom has been involved in the establishment of two circular economy task forces. Swisscom is represented on both of them. These are committed to more recycling in the manufacturing industry and want to include circular economy criteria in the joint audit cooperation (JAC) guidelines.

Overall assessment of 2019

The following overview summarises the main goals achieved in the year under review and the status with regard to the intermediate goals for 2020. More detailed information can be found in the 2019 Climate Report.

Energy efficiency

Swisscom’s energy consumption (electricity, heating fuels and vehicle fuel) in Switzerland amounted to 563 GWh in 2019 (prior year: 558 GWh). Thanks to the efficiency measures implemented, total energy savings in the year under review amounted to 46 GWh. The total energy efficiency for 2019 therefore amounts to 8.2%, or 28.5% cumulatively since 1 January 2016. This is calculated as the ratio of total energy used and energy saved to total energy consumption. Swisscom hereby follows the definition of the Swiss Federal Office of Energy (SFOE) and the Federal Office for the Environment (FOEN) within the scope of the target agreement with the Energy Agency of the Swiss Private Sector (EnAW).

In 2019, Swisscom again used 100% renewable electricity and thus achieved its target. Thanks to the use of renewable electricity and the decreasing consumption of fossil fuels, the share of renewable energy from renewable electricity, biomass and the renewable proportion of district heating was 88%.

CO₂ savings due to ICT services

Customers save CO₂ by using Swisscom’s offerings. Together with the myclimate foundation and on the basis of the latest findings and studies by the industry, Swisscom updated part of the underlying calculation models in 2019. It included rebound effects to a greater extent in its calculations.

CO₂ intensity

Swisscom has continually reduced its CO₂ intensity in recent years. Intensity is calculated by the EnAW on the basis of the consumption statistics supplied annually by Swisscom.
Carbon footprint
Swisscom maintains a greenhouse gas inventory, publishes its emissions in a Climate Report according to recognised standards (ISO 14064) and has these verified externally. In accordance with the Greenhouse Gas Protocol (GHG), the company classifies its CO2 emissions as Scope 1 (direct emissions resulting from burning fossil fuels for heating and mobility or from refrigerants), Scope 2 (indirect emissions caused by purchased energies) and Scope 3 (all other indirect CO2 emissions, e.g. those in the supply chain).

Scope 1 emissions
Direct consumption of fossil fuels accounted for 11% of Swisscom’s total direct energy consumption in 2019. Scope 1 CO2-equivalent emissions from fossil fuels have fallen continually since 1 January 2010. In addition, emissions from refrigerants included under Scope 1 were 153 tonnes (prior year: 118 tonnes).

Swisscom does not include emissions from SF6 losses in electrical transformers and stations, as it does not control these systems. The additional reduction in direct emissions (Scope 1) is due to building optimisations and the replacement of fossil fuels by heat pumps, biomass and the increased use of waste heat.

Scope 2 emissions
Swisscom records its Scope 2 emissions before and after offsetting. In 2019, the CO2-equivalent emissions from electrical energy consumption before offsetting amounted to 54,691 tonnes of CO2 equivalent (location-based approach) or 0 tonnes of CO2 equivalent after offsetting with market instruments (market-based approach), such as certificates of origin additionally acquired. Under Scope 2, then, Swisscom did not emit any CO2 as a result of electricity consumption and district heating in 2019.

Scope 3 emissions
Swisscom determined its greenhouse gas emissions in accordance with the categories of Scope 3. The following categories were excluded: processing of sold products (category 10), downstream leased assets (category 13) and franchises (category 14). These categories are not relevant, as in 2019 Swisscom did not manufacture any products, did not operate any distribution centres (downstream leased assets) and did not operate any franchises. CO2-equivalent emissions in the supply chain for the categories of purchased goods and services (category 1), capital goods (category 2) and transport and distribution to distribution centres (category 4) therefore accounted for the lion’s share of Scope 3 emissions. Indirect emissions under Scope 3 are more difficult to control. The rise in these emissions is due to the slight increase in the volume of equipment and facilities purchased. On the other hand, it has been shown that new suppliers or suppliers included in the estimates for the first time exhibit high CO2 intensity. Fastweb is included in category 15.
## Environmental key figures in Switzerland

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land/buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net floor space (NFS)</td>
<td>million m²</td>
<td>0.93</td>
<td>0.93</td>
<td>0.92</td>
</tr>
<tr>
<td><strong>Paper consumption</strong></td>
<td>Tonnes</td>
<td>4,444</td>
<td>3,708</td>
<td>3,237</td>
</tr>
<tr>
<td><strong>Water/sewage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water consumption</td>
<td>m³</td>
<td>188,410</td>
<td>182,424</td>
<td>182,135</td>
</tr>
<tr>
<td><strong>Energy, electricity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical energy consumption</td>
<td>Terajoule</td>
<td>1,683</td>
<td>1,747</td>
<td>1,763</td>
</tr>
<tr>
<td></td>
<td>GWh</td>
<td>468</td>
<td>485</td>
<td>490</td>
</tr>
<tr>
<td><strong>Energy, heating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heating oil</td>
<td>Terajoule</td>
<td>95.9</td>
<td>69.1</td>
<td>72.1</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Terajoule</td>
<td>26.6</td>
<td>27.3</td>
<td>28.3</td>
</tr>
<tr>
<td>District heating</td>
<td>Terajoule</td>
<td>40.0</td>
<td>37.2</td>
<td>35.7</td>
</tr>
<tr>
<td>Biomass</td>
<td>Terajoule</td>
<td>1.1</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Total heating</td>
<td>Terajoule</td>
<td>162.4</td>
<td>134.8</td>
<td>137.4</td>
</tr>
<tr>
<td><strong>Energy, fuel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petrol</td>
<td>Terajoule</td>
<td>16.4</td>
<td>16.8</td>
<td>17.1</td>
</tr>
<tr>
<td>Diesel fuel</td>
<td>Terajoule</td>
<td>111.3</td>
<td>110.9</td>
<td>108.4</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Terajoule</td>
<td>0.3</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Total fuel</td>
<td>Terajoule</td>
<td>128.0</td>
<td>127.8</td>
<td>125.9</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Number</td>
<td>3,160</td>
<td>3,040</td>
<td>2,249</td>
</tr>
<tr>
<td>Kilometers driven</td>
<td>million km</td>
<td>54.9</td>
<td>53.4</td>
<td>52.5</td>
</tr>
<tr>
<td>Average CO₂ emissions</td>
<td>g per km</td>
<td>105.0</td>
<td>104.0</td>
<td>101.0</td>
</tr>
<tr>
<td><strong>Energy, total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Terajoule</td>
<td>1,973</td>
<td>2,009</td>
<td>2,027</td>
</tr>
<tr>
<td></td>
<td>GWh</td>
<td>548</td>
<td>558</td>
<td>563</td>
</tr>
<tr>
<td><strong>Air emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon dioxide CO₂-eq from the consumption of fossil energies</td>
<td>Tonnes</td>
<td>18,119</td>
<td>16,171</td>
<td>16,295</td>
</tr>
<tr>
<td>Nitrous gases NOₓ</td>
<td>Tonnes</td>
<td>15.4</td>
<td>13.9</td>
<td>15.0</td>
</tr>
<tr>
<td>Sulphur dioxide SO₂</td>
<td>Tonnes</td>
<td>3.3</td>
<td>2.3</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount of waste</td>
<td>Tonnes</td>
<td>5,647</td>
<td>4,385</td>
<td>4,822</td>
</tr>
</tbody>
</table>

1. The water consumption (with cooling water) is extrapolated on the basis of the average rate of 47.8 litre per FTE per day.
2. Energy conversion: 1 terajoule (TJ) = 0.278 gigawatt hours (GWh).
3. The heating energy consumption is based on a forecast of monthly measures of the consumption of 41 buildings until 2017 and 120 buildings from 2018 (with a total floor space of over 45% resp. 53%).
4. The fuel consumption was adjusted from private use. The km driven, energy consumption and the air emissions were adjusted accordingly.
5. Average emissions per kilometre refer to manufacturer’s indications, according to the NEDC method.
6. CO₂ emissions from consumption of fossil energies, without district heating and refrigerant fluid. Swisscom published a complete climate report according to ISO 14064.
7. From Mobitool (www.mobitool.ch), car traffic, national 5-200 km, direct use, load 1.25, fuel consumption 5.8 litres per 100 km (2017), 5.5 (2018), 5.2 (2019).
More for Switzerland

Swisscom uses the best networks and progressive solutions to create added value for its customers, employees, shareholders and suppliers, as well as for the country as a whole. It provides individuals and businesses in Switzerland with reliable network infrastructure and services. By doing this, it makes the country more competitive and a better place to live. High-performance broadband provision underpins the development of digital business segments, mobile working and entertainment. Switzerland ranks very highly in numerous studies relating to infrastructure and digitisation. Key elements are stable and secure access to the Internet as well as free Internet access for all schools in Switzerland. Swisscom offers solutions that have been developed specifically to help digitise the healthcare sector. It is committed to supporting research in the field of mobile communications and health, processing the latest knowledge in this field and making it accessible to the general public and the authorities. Swisscom also demonstrates its commitment to Switzerland through partnerships and its involvement in public debates.

Investments in high-performance broadband provision – management approach

Swisscom’s investments not only create around CHF 5 billion a year of added value for itself, but also indirectly constitute an important contribution to Switzerland’s competitiveness and prosperity.

The network is at the very heart of Swisscom. Without an efficient infrastructure, Swisscom would not be in a position to offer its tried-and-tested services and support Switzerland, the Swiss population and local companies in the digitisation process.

At Swisscom, the IT, Network & Infrastructure division is responsible for expanding the network. The 3,600 or so employees of this division ensure that Swisscom offers its customers an optimal mix of technologies and that customers can easily make the most of their opportunities in the networked world. Swisscom therefore aims to be the first telecommunications provider in Switzerland to make innovations available to its customers and to meet their needs throughout Switzerland. By the end of 2021, for example, Swisscom intends to supply 90% of Swiss homes and offices in building zones with speeds of at least 80 Mbps via the fixed network. Swisscom has also achieved its goal of supplying 90% of the Swiss population with a basic version of 5G and offering the full version of 5G in 160 municipalities by the end of 2019.

Network and infrastructure

Swisscom is focusing on a technology mix so that the whole of Switzerland can benefit from the opportunities offered by the digital world, from cities to alpine huts throughout Switzerland. It has almost completed the All-IP transformation and has pushed ahead with the strict separation of access technologies and services in the fixed network. Its innovative architecture also enables it to renew all components from the core network to the connection. Only a few suppliers worldwide are able to match the consistency with which it is pursuing this development. Swisscom is thus laying the foundations to enable the rapid introduction of new services in the future and always being the first provider to make new developments available to customers. By the end of 2019, around 3.9 million (some 74%) of homes and offices were already benefiting from bandwidths of 80 Mbps, with around 2.5 million (over 47%) even exceeding 200 Mbps.

Advanced ideas such as Fixed Wireless Access, which supplements the existing Internet speed with mobile telephony and thus makes it faster, are helping to increase the bandwidth in places with little ideal coverage.

In the field of mobile communications, Swisscom was the first company in Switzerland and one of the first in the world to put its 5G network into operation in 2019. In February 2019, it acquired at auction the frequencies necessary for the construction of 5G networks. Subsequently, in April, it commercially launched Switzerland’s first 5G network and expanded it in the cities, in the countryside and even in remote areas. Since May, Swisscom customers have been using the network with appropriate devices,
with business customers in particular showing great interest in the new mobile communication standard and its possibilities. By the end of 2019, 90% of the Swiss population had been provided with basic 5G coverage. Devices that support the basic and full versions of 5G are expected in the first quarter of 2020. The full version of 5G is based on the new 5G frequencies (3.5 GHz), while the basic version uses the existing mobile spectrum.

The Swisscom mobile network is rated as very good and is one of the best by international standards. Swisscom currently supplies around 99% of the Swiss population with 4G, 3G and 2G coverage. International independent tests regularly show that Swisscom’s mobile network occupies a leading position within Switzerland, as well as in a country comparison of Germany, Austria and Switzerland. In 2019, Swisscom once again won relevant network tests, specifically the tests performed by Connect, Chip and Ookla. Swisscom is continuing to press ahead with its 4G expansion so that more capacity is available to customers on the 4G network.

Network expansion

Network expansion

Bandwidth requirements in the Swiss fixed and mobile telephone network continue to grow. In order to maintain such a high level of service provision, further investments in the networks are necessary. Swisscom therefore invests around CHF 1.6 billion in IT and infrastructure in Switzerland every year. This is the highest investment of any provider in Switzerland, and it makes a significant contribution, as international studies regularly confirm: Switzerland boasts one of the best IT and telecoms infrastructures worldwide. For example, Switzerland ranks very highly in the European Broadband Coverage Study (CH #2) and in the ICT Development Index (CH #4).

Swisscom plans to provide ultra-fast broadband coverage (at least 80 Mbps) to all Swiss municipalities and 90% of homes and offices throughout Switzerland by 2021. Swisscom has also set itself new expansion targets to be achieved by the end of 2025. For example, FTTH coverage should nearly double compared to 2019. This means that 50% to 60% of all homes and offices will have a bandwidth of up to 10 Gbps. At the same time, Swisscom will continue to modernise its existing network in the coming years, giving 30% to 40% of homes and offices access to a bandwidth of 300 to 500 Mbps. Bonding technology is also helping to noticeably improve broadband provision in certain regions. Bonding combines the performance of the fixed-line network with that of the mobile network, thus ensuring a significantly better customer experience.

99% of the population enjoying ultra-fast mobile broadband. 98% of all homes in Switzerland already have access to bandwidths of at least 100 Mbps, which means that Switzerland is exceeding the objectives of the EU’s “Digital Agenda for Europe 2020”.

Switzerland’s high bandwidth coverage of at least 30 Mbps (NGA) is excellent compared to that of other European countries. Switzerland ranks second overall behind the densely populated island state of Malta, together with the Netherlands and Belgium. 99% of the Swiss population has access to bandwidths of at least 30 Mbps. Switzerland thus already meets the objectives of the EU’s “Digital Agenda for Europe 2020”. In terms of high bandwidth connections exceeding 100 Mbps, Switzerland ranks third behind the densely populated island state of Malta and the Netherlands, with coverage of over 98% of all homes. Its better coverage of rural areas, by European comparison, is striking: According to a study, 93.9% of the rural population in Switzerland have at least 30 Mbps, compared to just 52.3% in the EU.

Networks for advanced solutions

The expansion of the fifth generation of mobile communications (5G) will be a key issue for Swisscom in the coming years. 5G makes smart cities, networked factories and intelligent houses technically feasible, unites diverse technologies, and lays the groundwork for the expansion for a more efficient Internet of Things (IoT) and therefore for a digital Switzerland.

Swisscom takes its responsibility seriously, and is aware that fears and resistance exist among the population with regard to the expansion of mobile communications. The allocation of new frequencies required for the construction of 5G networks was of central importance to Swisscom in the year under review. Swisscom participated successfully in the auction and called for the auctioned frequencies to be allocated quickly so that it could press ahead with the expansion of the new mobile network. The licences were granted promptly by ComCom, but the industry was subsequently surprised by the resistance to the new mobile communication standard from the population that resulted. This resistance culminated in numerous political initiatives at communal, cantonal and national level and, in some cases, in the issuance of moratoria calling for a halt to building permits. In addition, the new 5G technology cannot exploit its full potential for the time being due to strict legal limits in Switzerland. These limits are ten times more stringent in Switzerland than those recommended by the World Health Organization.

If Switzerland is to make full use of the possibilities offered by 5G, the framework conditions will need to be adjusted. In order to improve the level of information, Swisscom provides information on its channels and supports the industry association asut in its information campaigns. The administration introduced a minor amendment to the ordinance in spring 2019. For the frequency range around 1,400 MHz, there was previously no installation limit value in the Ordinance on Non-Ionising Radiation (ONIR).
The Federal Council closed this gap by amending the ordinance. The existing limit values are not affected by the amendment, and the precautionary level of protection is still the same.

Cloud
In 2019, Swisscom primarily extended its global cloud offering with Microsoft and also expanded security and IoT solutions. The company makes hospitals more efficient by providing them with support in the digitisation of their processes. It also helps health insurance companies by assuming the operation of their core IT systems. Swisscom is driving digitisation in the healthcare sector by providing its networking solutions for service providers and implementing the electronic patient dossier system.

Basic service provision – comprehensive network coverage
Swisscom is responsible for providing basic telecoms services in Switzerland, and has been mandated to do so until the end of 2022 in accordance with the current universal service licence. The purpose of the mandate is the provision of network access throughout Switzerland, primarily voice telephony and broadband Internet access. The guaranteed minimum transmission speed for a broadband Internet connection in 2019 was 3 Mbps (downloads) and 300 kbps (uploads). The price ceiling for this service (including fixed-line telephony) is CHF 55 per month (excluding VAT). Since 1 January 2020, Swisscom has been implementing the new rules for the basic service provision, and has adjusted the guaranteed minimum bandwidths to 10 Mbps (downloads) and 1 Mbps (uploads).

The basic service provision for which Swisscom has long been responsible also includes providing special services for people with disabilities.

Even in locations that are difficult to access, Swisscom provides the basic service thanks to its technical capabilities. In collaboration with Alpine associations and at the request of the Swiss Group for Mountain Regions (SAB), Swisscom has retrofitted 282 Alpine businesses and huts with the latest technologies (All-IP and power supply) in the past two years (Alpine campaign).

<table>
<thead>
<tr>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of public payphones</td>
<td>2,960</td>
<td>1,181</td>
<td>0</td>
</tr>
<tr>
<td>Emergency calls</td>
<td>2,799</td>
<td>2,824</td>
<td>3,000</td>
</tr>
<tr>
<td>Calls to the service for visually and hearing impaired</td>
<td>349</td>
<td>293</td>
<td>252</td>
</tr>
</tbody>
</table>

1 Of which 2,451 (2017), 2,844 (2016) within the scope of basic service provision.

As of 2018, public payphones are no longer included in the basic telecom service.

Net neutrality
In 2014, together with other network operators and the Suissedigital and asut associations, Swisscom drew up a code of conduct for an open Internet. The code lays down that all users in Switzerland should be able to use the content, services, applications, hardware and software of their choice. Subject to regulatory requirements, no services or applications are therefore blocked or impeded by Swisscom, and freedom of information and free expression of opinion are not limited in any way on the Internet. In 2015, Suissedigital and asut set up an independent net neutrality ombudsman’s office. Users who believe that their service provider has breached the code of conduct can contact the net neutrality ombudsman’s office. The revised Telecommunications Act (TCA) contains a new provision on the granting of net neutrality. This will actually be transposed in the associated ordinance (Ordinance on Telecommunications Services, OTS), which is currently being drafted by the Federal Administration. Swisscom will be able to comment on the bill at a public hearing up to and including 25 March 2020.

Mobile telephony and society
Management approach
With over eight million inhabitants, Switzerland has more than 11.5 million mobile phone connections. And the amount of data transmitted on the mobile network is growing all the time. The infrastructure therefore has to be constantly expanded. Some sections of the population are voicing health concerns about the electromagnetic fields which carry the mobile communications. To date, however, there is no scientific evidence that mobile telephony poses a health risk.

Swisscom has therefore been heavily involved in the controversy surrounding mobile communications and the environment for around 20 years. In the year under review, as a result of the introduction of the new 5G mobile communication standard, this controversy was fiercer than it had been for many years. Swisscom employs experts from the fields of research, technology and communications so that it acts as a competent, trustworthy and reliable player in this area of conflict. The team of experts has direct access to the management, reports to a committee of the Group Executive Board and, together with a representative of the top management, forms a specialist group.
Swisscom also attaches great importance to promoting high-quality research in order to clarify outstanding issues relating to mobile communications and the environment. In particular, it supports the Swiss Research Foundation for Electricity and Mobile Communication (FSM) based at the Federal Institute of Technology in Zurich (ETH Zurich). The FSM continuously monitors technologies, the mobile network constantly needs to be expanded.

When operating its mobile communications installations, Swisscom complies with the extremely strict environmental requirements at all times and in every respect. The electromagnetic fields of antennas have been the subject of scientific research for over 30 years to clarify whether mobile radio immissions have any negative effects on organisms. The current scientific opinion is that there is no evidence that they do and that such fears are therefore unfounded. However, it admits that there are still open questions.

Swisscom has a fundamental interest in operating a technology that harms neither people nor the environment. It is an actor in the social and political debate, and its enormous responsibility is not limited to complying with all the relevant legislation. On the contrary, Swisscom provides technical, scientific and communicative support for the issue of mobile communications and the environment on a voluntary basis. Its aim is to further the development of mobile communications, to promote research and to engage in dialogue with stakeholder groups. Swisscom also enjoys a good reputation.

Swisscom’s Sustainability, Technical and Scientific Governance, and ONIR Governance (Governance of the Ordinance on Non-Ionising Radiation) areas are responsible for the issue of mobile communications and the environment. In addition, Swisscom has an interdisciplinary team that coordinates the measures and reports regularly to the CEO, CIO and CCO.

The following sections illustrate how Swisscom advises, researches, certifies and informs:

Advice and information on wireless technologies and the environment
Local construction projects or articles in the media often lead to questions and demands on Swisscom. Eight trained Swisscom employees advise people involved in the construction and operation of mobile networks on the one hand and stakeholder groups who would like general information on radio technologies, the environment and health on the other. In the year under review, Swisscom held 265 (prior year: 300) discussions and conducted correspondence 375 times with key stakeholder groups on the subjects of mobile communications and the environment and presented its position regarding the expansion of the mobile network infrastructure nationwide at adversarial public information events. Swisscom’s participation in the above-mentioned discussions was in much greater demand than in the previous year. The reason for this is the introduction of 5G, which triggered a controversy of unprecedented proportions. In addition, Swisscom experts were involved in DETEC’s Mobile Radio and Radiation working group, which has produced a highly acclaimed report on the expansion options for mobile telephony networks. Swisscom maintains a regular exchange of information with environmental agencies to ensure that it fulfils the environmental requirements for mobile communications correctly at all times. In addition, two Swisscom experts deal with electrosensitive persons who feel unwell as a result of immissions from mobile communications installations or other transmitters used by Swisscom. Three communications experts prepare information on mobile communications and the environment for online and print media.

Research and development in the area of electromagnetic fields
In electromagnetic field research, Swisscom cooperates with internal and external specialists who analyse studies and support relevant scientific work. Swisscom collaborates with and financially supports the Swiss Research Foundation for Electricity and Mobile Communication (FSM) based at the Federal Institute of Technology in Zurich (ETH Zurich). The FSM continually monitors and interprets the latest research published on the effects of electromagnetic fields on organisms and the measurement of immissions.
Compliance with ONIR limits and certification of the quality assurance system

In Switzerland, the legal obligation to limit emissions from mobile communication installations is set out in the Ordinance on Non-Ionising Radiation (ONIR). In 2019, Swisscom met all federal legal requirements with respect to the ONIR. It transfers the transmission data from all mobile radio installations to a central database. The municipal and cantonal enforcement authorities have protected access to this database and can check compliance with ONIR limits independently and on the basis of random samples at any time. Swisscom is required to operate a quality assurance system (QAS) for its mobile base stations. The company certifies its QAS according to the ISO standard 33002:2015. A monitoring audit of the QAS in accordance with ISO 33002:2015 was conducted in November by an external auditor mandated by Société Générale de Surveillance (SGS). Swisscom passed the review with a capability rating of three out of a maximum of five.

Duty to provide information on products offered at points of sale

Customers and interested parties can find information on the levels of radiation emitted by available mobile handsets (SAR values) at Swisscom points of sale and on the website. There is no legal obligation to provide this information. Swisscom provides this information in response to the desire of some customers to know the radiation level when selecting a device. All mobile telephones offered by Swisscom comply with the limit of 2 W/kg, in line with the WHO recommendations; 55% are below 0.8 W/kg (prior year: 62%), while 50% are even below 0.6 W/kg (prior year: 45%, as of December).

In spring, Swisscom significantly increased its level of voluntary transparency with regard to immissions from mobile communications installations. The calculated field intensities of Swisscom locations can be accessed online for almost any residential address in Switzerland.

Current challenges

At the end of 2019, a basic version of the new 5G mobile communications technology supplied 90% of the Swiss population. The full version of 5G is based on the new 5G frequencies (3.5 GHz), while the basic version of 5G uses the existing mobile spectrum. Devices that can use the full and basic versions of 5G are expected in the first quarter of 2020.

The uniquely strict regulations of the ONIR in Switzerland are making any further expansion of existing antenna sites massively more difficult. The existing sites have already exhausted all approved power reserves. Therefore, a large number of new antennas must be installed, which is slowing down and increasing the cost of 5G expansion. The decommissioning of the second generation of mobile communications (2G) at the end of 2020 offers hardly any relief here.

Swisscom is therefore in favour of amending the ONIR. Its experts have elaborated measures that meet the needs of mobile operators and their customers as well as taking account of the precautionary principle required by the Environmental Protection Act. Swisscom has also participated in the FOEN working group. It advocates a moderate adjustment of the limits so that Switzerland does not fall behind in digitisation.

Data protection

Swisscom attaches great importance to the legally compliant and responsible processing of personal data. In order to meet its own requirements, Swisscom increased the number of staff in the organisational unit responsible for compliance with data protection in the past financial year and implemented a large number of protective measures. The responsible teams now have a tool with which they can periodically check their products or business processes for compliance with data protection. Swisscom significantly improved the transparency of data processing for new products. Several training sessions were conducted to increase employees’ awareness of data protection. In addition, new roles were created and trained in all divisions of Swisscom and the Group companies in order to embed data protection in operations too. Finally, Swisscom started to implement the requirements of the new Swiss Data Protection Act early.

Swisscom works continuously to extend its data protection measures. Data protection within Swisscom is controlled and monitored by a central data governance unit, which works closely with all the divisions and other staff units.

Despite efforts to continuously increase data protection, Swisscom had to communicate two incidents relevant to data protection in the year under review. Due to a faulty software component, some of the data of several hundred private users of the free version of “myCloud” was deleted. Swisscom subsequently took all steps to prevent such an incident from occurring in the future. Swisscom also discovered that 39 incorrect e-mail addresses were stored in one of its customer systems. E-mails from Swisscom to private customers for whom one of these e-mail addresses was stored were sent to a third-party e-mail account. Swisscom corrected the entries as soon as it became aware of the issue and adapted the customer system to rule out such incidents in future.
Responsibility towards society

Throughout its history, Swisscom has had close ties with Switzerland and the local population. Its commitment to the country and its people is therefore a matter of tradition.

Swisscom’s commitment

Swisscom is active with its expertise on European, national and regional levels. On its own or in partnership with others, it supports activities that contribute to social cohesion, the digitisation of society and the common good. There are three areas in which Swisscom focuses its activities: the fostering of technical, cultural and political relationships, projects carried out as part of its corporate responsibility, and support for national and regional events, mainly in sport and culture.

Memberships and partnerships

Swisscom works with various partners in projects on issues relating to its strategic priorities. It also seeks to work with suitable partners at both a national and an international level. In choosing its partnerships and memberships, Swisscom attempts to ensure that the institutions concerned serve as an ideal complement to the company in terms of their professional competence and thus make a significant contribution to the achievement of the Swisscom strategy. They must also share Swisscom’s values and have an excellent reputation and a high level of credibility in their area of activity.

Actor in public debates

In the representation of its interests, Swisscom follows a solution-oriented approach, both for the common good and in the interests of the company. The positions Swisscom takes are based on clear facts. It is committed to maintaining transparent and trustful relationships with politicians, public authorities and the community. Swisscom participates in public hearings and events and plays its part in the political process by issuing written statements. In line with its own anti-corruption directive and based on the relevant ethical codes (the Code of Lisbon and the Code of Professional Conduct of the Swiss Society of Public Affairs, SSPA), Swisscom rejects unlawful or ethically questionable practices aimed at exerting influence on opinion leaders and decision-makers. Moreover, Swisscom is a non-denominational, politically neutral organisation and does not support any political parties, opinion leaders or decision-makers financially. An internal ethics board assesses planned projects and services for compatibility with ethical principles.

Swisscom maintains contact with the European Telecommunications Network Operators’ Association (ETNO), national politicians, authorities and associations in all regions of Switzerland. First and foremost, it provides information on infrastructure and security issues, on the necessary framework conditions in line with its corporate strategy and on its engagements. Employees in contact with stakeholders receive their concerns and the expectations of the population.

As a responsible “corporate citizen”, Swisscom actively participated in public discussions on issues including the following during the year under review:

- **Education policy**: Swisscom provides ICT training places, promotes Switzerland as an ICT location, supports schools in the area of youth media protection and is continuing to develop the Internet for Schools project. It also supports the Digital Switzerland initiative, which hosted Digital Day 2019, among other things.
- **Digitisation**: through the switch to All IP, Swisscom is putting in place the technical requirements for digitising communication and ensuring the competitive ness of Swiss business. All IP transfers all services such as voice telephony, TV, Internet and data to Internet Protocol (IP) technology in a standardised manner.
- **Mobile expansion**: by obtaining the licences to build the fifth generation of mobile communications, Swisscom is assuming the obligation to expand the 5G network in Switzerland as rapidly and broadly as possible.
- **Broadband expansion**: the majority of the Swiss population should have access to greater bandwidths in the fixed network by the end of 2021. Swisscom is thus laying a solid foundation for digitising and securing Switzerland as a place to do business. Every day Swisscom carries out expansion measures in a municipality.
- **Basic service provision**: ComCom has awarded Swisscom the current universal service licence until 31 December 2022. Since 1 January 2018, a minimum bandwidth of 3 Mb/s (downloads) has applied for Internet connections; this will increase to 10 Mb/s as of 1 January 2020. Swisscom will also extend universal services for people with health issues in 2020.
- **Customer friendliness**: Swisscom is continually improving its customer information systems, for example with services such as Swisscom Cockpit for Swisscom customers who are travelling abroad.

During the year under review, as in the previous financial year, Swisscom submitted statements as part of numerous consultations at federal level. These include a statement on the Cargo sous terrain project, in which Swisscom is directly involved, and on the Dispatch on Culture for 2023–2024. In the context of the current political deliberations, the revision of the Expropriation Act is of increased importance to Swisscom.

Other business relevant to Swisscom that is currently under discussion in Parliament includes:
Unresolved regulatory issues
In the autumn session of 2019, Parliament completed its deliberations on the Federal Act on the Introduction of an Electronic Identity Card (eID). A referendum committee was formed immediately afterwards, seeking to put the bill to a public vote. The opponents of the bill are particularly concerned about the fact that private third-party providers will be entitled to issue the eID. The referendum has been successfully called, and the bill will be put to a vote.

The Federal Council did not pursue the new Federal Act on Electronic Media (EMA) proposed in 2018 due to the outcome of the consultation process. Instead, according to Federal Councillor Simonetta Sommaruga, the most urgent media law issues should be regulated in the existing decrees (Radio and Television Act, RTVA) and in the Postal Act (PA). Swisscom is not directly affected by these issues as media promotion is the focus of the media law discussions.

Swisscom awaits the implementing ordinances on the revised Telecommunications Act (TCA), for which a public hearing is being conducted from 6 December 2019 until 25 March 2020.

Among the general public and in political inquiries and initiatives, the debate about the security of ICT equipment has been revived due to the trade dispute between the USA and China. Swisscom pursues a "multi-vendor strategy" and works with Huawei, among others. Swiss politicians are currently refraining from interfering in the commercial freedom of ICT companies. Swisscom is closely following the relevant developments in Switzerland and the EU.

For Switzerland: cultural and sporting engagement
Swisscom’s sponsoring activities are spread across all regions of Switzerland and aimed at a wide range of stakeholder groups.

Digital solutions for a healthy Switzerland
Swisscom is networking the Swiss healthcare sector by means of secure solutions for the digital exchange of data. It is pursuing two main strategies. Firstly, Swisscom is playing its part in the introduction of the EPD, which gives the population easy and secure access to their digital health data. Secondly, it is digitising the processes of health facilities such as hospitals, nursing homes and doctors, enabling them to exchange data securely and thereby increasing efficiency.

Greater efficiency thanks to digitisation
Healthcare costs in Switzerland are increasing year on year. According to the Swiss Federal Statistical Office, they stood at CHF 82.7 billion in 2017. The ratio of health expenditure to gross domestic product was therefore 12.4%. Expenditure per capita and per month amounted to CHF 816.

The digitisation of processes and information has enormous potential in the battle to combat rising healthcare costs and increase efficiency in the healthcare system. One instrument to achieve this is the EPD, which hospitals must offer by the middle of April 2020 at the latest. The EPD allows healthcare professionals easy and secure access to treatment-relevant documents and lets them quickly access important information. As a result, unnecessary or duplicate treatments can be avoided. The potential resulting from the digitisation of processes between service providers has to date been underutilised. This is where Swisscom’s solutions come in, optimising transfers, the exchange of information and much more besides.

A focus on people
In addition to increasing efficiency, digitisation in the healthcare sector allows the patient to be put even more clearly at the centre of all activities. The EPD improves the exchange of information and thus treatment. It enables members of society to access their health data – easily and from anywhere. The EPD owner determines which other people may have access to his or her information.
For some years now, Swisscom’s electronic health records system Evita, a kind of precursor to the EPD, has enabled patients to access health data collated by doctors or hospitals as well as their own records. Personal medical and administrative data and documents of a patient are thus stored securely in one place and can be accessed online at any time. Other Evita features include online check-in, where patients can securely and conveniently complete hospital admission formalities from home, and telemonitoring applications for the chronically ill.

Swisscom expanded its customer base in the healthcare sector in 2019, winning over doctors and therapists with its practice information system. It also pressed ahead decisively with the creation of the EPD infrastructure on the basis of its Health Connect solution.
About this report

Scope of the report

Swisscom’s Group structure is described in the “Group structure and shareholders” section of this year’s Annual Report. A list of Group companies, comprising all the subsidiaries, associates and joint ventures, is provided in the Notes to the consolidated financial statements 2019 (Annual Report, page 165).

Principles

The scope of the Sustainability Report according to standards of the Global Reporting Initiative (GRI) is generally defined as follows: Swisscom Ltd and all subsidiaries domiciled in Switzerland which are fully consolidated in accordance with International Financial Reporting Standards (IFRS). This excludes the Group company CT Cinetra Ltd. The participation in the Cinetra Group is not included within the scope of the report due to the fact that its effect is immaterial and not all of the requirements listed in the section on management approaches apply. In line with GRI reporting requirements, acquisitions are included from 1 January of the following year after the date of acquisition and disposals up to the date of disposal. Group companies domiciled abroad and investments in associates and joint ventures are not included in the scope. Swisscom’s most important foreign holding is Fastweb in Italy. Fastweb publishes its own sustainability report in line with GRI standards, “Core” option, which is reviewed by Bureau Veritas AG, an external, independent auditor. The closely related foundations comPlan (pension fund) and sovis (social foundation) are also not included in the scope.

Personnel information system

In the year under review, the Swiss subsidiaries Swisscom Directories Ltd, Cinetra, Swisscom Digital Technology AG, United Security Providers AG, itnetX (Switzerland) AG, Ajila AG, Mila AG, Swisscom Blockchain Ltd, AdUnit AG, Custodigit AG and Global IP Action AG were not included in the central personnel information system, but in local, company-specific personnel information systems. The central personnel information system thus has a coverage ratio of 93% (prior year: 95%).

Environment

The environmental key figures (especially regarding energy, water and waste water, emissions and waste) cover almost 100% of Swisscom’s FTEs in Switzerland. This excludes the Group company CT Cinetra Ltd. The CO₂ emissions of Fastweb are included, but are excluded from the calculation of the target for more for the environment. The report therefore includes all buildings managed by Swisscom Real Estate in Switzerland as well as the vehicle fleet managed by Swisscom’s Managed Mobility in Switzerland. As regards energy consumption, the data compilation system also encompasses Swisscom (Switzerland) Ltd’s mobile base stations, proprietary production of solar energy and the transmitter stations Swisscom Broadcast Ltd operates in Switzerland and just across the Swiss borders. The consumption of third-party tenants is deducted from the total energy consumption. The data regarding emissions in the supply chain is based on a projection that takes account of 71 suppliers (prior year: 71) as well as audits carried out as part of the Joint Audit Cooperation (JAC). The data on which the projection is based and the audits account for 54% (prior year: 48%) of the order volume.

Social aspects

The information on social relationships within the supply chain is based on audits carried out as part of the Joint Audit Cooperation (JAC) or on self-declarations and Corporate Responsibility contract annexes. These annexes cover almost all suppliers. Swisscom attributes particular importance to the situation outside OECD countries.

Reporting: procedure and organisation

This Sustainability Report complies with the GRI principles on reporting. It therefore contains specific GRI standard information in addition to the general standard information. The recommendations of the SDG Compass were again taken into account and implemented. The SDG Compass is a joint guide produced by GRI, WBCSD and the UN Global Compact. It offers guidelines for determining contributions by companies to the SDGs as well as corresponding measures for implementation and disclosure. Swisscom also took into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as far as possible, namely in the section on more for the environment and in the Climate Report.

In the past few years, Swisscom has developed a clear understanding of the issues pertaining to its immediate environment. In addition, stakeholder groups present issues directly to Swisscom. Swisscom also uses findings from current studies, market research, trend analyses and benchmark reports. All of these issues are included in the materiality matrix.

Swisscom involves its internal and external stakeholder groups in order to assess the importance attached to the issues and to determine the strategic priorities. It has conducted a survey of representative stakeholder groups for the past three years, with response rates ranging from 70% to over 90%. The analysis of the responses is described in the introduction relating to the
participation of stakeholder groups. The results of the materiality analyses and the responses from stakeholder groups make a significant contribution to the formulation of the sustainability strategy and the definition of thematic focus areas. They form the basis for the report.

The processes and procedures to be used with some stakeholder groups can be defined directly wherever necessary. Swisscom collaborates with the Swiss Federal Office of Energy (SFOE), for instance, to provide information on its contribution to the “Exemplary Role of the Confederation in Energy” (ERCE) working group. In addition, it works with the Energy Agency of the Swiss Private Sector (EnAW) and WWF. In collaboration with other businesses in the ICT sector and in contact with the Federal Social Insurance Office (FSIO), Swisscom makes a contribution to media skills in Switzerland.

During the year under review, Swisscom nurtured targeted relationships with the following stakeholder groups or held discussions on topics that are included in this report:

- **Customers:** surveys on topics including customer satisfaction (Annual Report, page 34).
- **Shareholders and external investors:** discussions on financial topics (revenue, dividends, etc.) at the Annual General Meeting on 2 April 2019 or at road shows (Financial Report). Swisscom also had contact with SRI fund managers or investors, e.g. in relation to governance topics or finance issues ("green bonds").
- **Public authorities:** dialogue with municipal authorities and other stakeholder groups regarding the topic of antennas and transmitter stations (2019: 265 dialogues), with cantonal authorities (once each per canton) and with members of parliament (twice a year) on topics such as roaming, the FTTH roll-out and the ICT environment.
- ** Suppliers:** Swisscom maintains commercial relationships with its suppliers and further contacts within the framework of self-assessments and audits (see under “Fair supply chain” in the section on more for people in the Sustainability Report).
- **Employees and Employee Representation Committees:** Swisscom meets once a month with the trade unions and the seven Employee Representation Committees to discuss various topics, as laid down in the collective employment agreement (CEA) or stipulated in the Co-Determination Act. There are also two plenary meetings of the Employee Representation Committees every year. Topic-specific ad-hoc meetings are also held that are organised in accordance with the participation table in the CEA (see page 27 of the Annual Report).
- **Partners and NGOs:** an exchange with various partners took place within the framework of individual projects in the year under review.

The reporting process comprises the company brochure “2019 at a glance”, the Annual Report, the Sustainability Report and the Climate Report. The Annual Report and the Sustainability Report are subject to the same internal validation stages. They are validated by the Disclosure and Review Committees and acknowledged by the Audit Committee to ensure the quality of the disclosures. The Sustainability Report and the Climate Report are independently verified by Société Générale de Surveillance (SGS). Swisscom also voluntarily chose the opting-in option and registered its Sustainability Report with SIX Exchange Regulation AG. Fastweb, the Italian subsidiary of Swisscom, publishes its own Sustainability Report and follows the “Core” option in the GRI standards.
SGS CERTIFICATION of the Swisscom AG 2019 GRI Sustainability Report

SCOPE
SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2019. Our assurance scope included the GRI disclosure obligations and figures in accordance with the GRI Index included in the sustainability report. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all texts and 2019 data in accompanying tables contained in the Sustainability Report 2019 and referenced information in the Annual Report 2019 and on the webpage of Swisscom as quoted in the GRI index. The assurance process did not consider any data from previous years.

CONTENT
The Board of Directors or the Managing Director and the Management of the organisation are responsible for the details provided in the sustainability report, in the annual report and on the website. SGS was not involved in the preparation of any of the material included in the GRI Index and acted as an independent assuror of the data and text using the Global Reporting Initiative Sustainability Reporting Standards, Version 2016 as a standard. The content of this Assuror’s Statement and the opinion(s) it gives is the responsibility of SGS.

CERTIFIER INDEPENDENCE AND COMPETENCIES
The SGS Group is active as a globally leading company in the areas of assurance, testing, verifying and certifying in more than 140 countries and provides services, including the certification of management systems and services. SGS confirms that it is independent from Swisscom. It is unbiased and no conflicts of interest exist with the organisation, its subsidiaries and beneficiaries. The assurance team was assembled based on knowledge, experience and qualifications for this assignment.

METHODOLOGY
The SGS Group has developed a set of protocols for the assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Standards, Version 2016. SGS has also certified the environmental management systems of Swisscom (Switzerland) Ltd., of Swisscom Broadcast Ltd. and of Cablex Ltd. in accordance with ISO 14001:2015. In addition the greenhouse gas inventory of Swisscom AG was verified by SGS according to ISO 14064. The assurance comprised the evaluation of external sources, meetings with relevant employees, a verification of the documentation and recordings as well as the validation of these with external institutions and/or beneficiaries, where required. Financial data drawn directly from independently audited financial accounts was not checked back to its source as part of this assurance process.

OPINION
The statements in the report refer to the system threshold disclosed (Group companies based in Switzerland). On the basis of the above methodology, we did not detect any instances from which we would have to conclude that the information and data disclosed by Swisscom Ltd. in accordance with the GRI Index 2019 may be incorrect. The information and data disclosed represent, to our mind, a fair and balanced picture of the sustainability efforts made by Swisscom in 2016. The implementation of the GRI-relevant instructions was carried out at those parties involved, where Swisscom regarded them to be significant or feasible. In an internal report, we made recommendations in regard to the further development of the sustainability report as well as the management system. We believe that the existing gaps are not significant and the sustainability report in accordance with the GRI Index meets the requirements of the option “comprehensive” of the GRI Standard (2016).

SIGNED FOR AND ON BEHALF OF SGS

Albert von Däniken, Lead Auditor
Elvira Bieri, Lead Auditor

Zurich, 31.01.2020

www.SGS.COM
# GRI Index

The GRI Index provides a standardised overview of reporting which is broken down by subject.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference</strong></td>
<td><strong>MC</strong> = Management Commentary, <strong>SR</strong> = Sustainability Report, <strong>CG</strong> = Corporate Governance, <strong>RR</strong> = Remuneration Report, <strong>FS</strong> = Financial Statements or Website Swisscom</td>
</tr>
</tbody>
</table>

**Key: Indicator according to GRI Standards (within scope of the report)**

- Ø = not relevant
- □ = not covered
- □ = partially covered
- △ = totally covered

### 102 General Disclosures

#### Organizational profile

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1 Name of the organization</td>
<td>FS P.166 Notes to the consolidated financial statements: Other disclosures</td>
</tr>
<tr>
<td>102-2 Activities, brands, products and services</td>
<td>MC P.32 Brands, products and services</td>
</tr>
<tr>
<td>102-3 Location of headquarters</td>
<td>See 102-1, CH-3048 Worblaufen</td>
</tr>
<tr>
<td>102-4 Location of operations</td>
<td>CG P.68.2 Group structure and shareholders; FS P.165.5.4 Group companies</td>
</tr>
<tr>
<td>102-5 Ownership and legal form</td>
<td>FS P.166 Notes to the consolidated financial statements: Other disclosures</td>
</tr>
<tr>
<td>102-6 Markets served</td>
<td>MC P.20 Swiss market trends in telecoms and IT services</td>
</tr>
<tr>
<td>102-7 Scale of the organization</td>
<td>MC P.4 KPIs of Swisscom Group; MC P.5 Business overview; MC P.44 Financial review; CG P.68.2 Group structure and shareholders</td>
</tr>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>MC P.27 Employees; SR P.35 Total workforce in Switzerland; SR P.61 Scope of the report: Personnel information system</td>
</tr>
<tr>
<td>102-9 Supply Chain</td>
<td>SR P.8 Value chain, supply chain and key aspects of Corporate Responsibility; SR P.36 Fair supply chain</td>
</tr>
<tr>
<td>102-10 Significant changes to the organization and its supply chain</td>
<td>MC P.68.2 Group structure and shareholders; No significant changes in the supply chain</td>
</tr>
<tr>
<td>102-11 Precautionary principle or approach</td>
<td>MC P.65 Health and the environment; CG P.105 Pension fund and fringe benefits; FS P.156 Pension plans; SR P.29 The Group’s Precautionary principle; SR P.29 comPlan pension fund; SR P.37 Supplier risk management</td>
</tr>
<tr>
<td>102-12 External initiatives</td>
<td><a href="http://www.swisscom.ch/cr-partnerships">www.swisscom.ch/cr-partnerships</a></td>
</tr>
<tr>
<td>102-13 Membership of associations</td>
<td>SR P.58 Memberships and Partnerships; <a href="http://www.swisscom.ch/cr-partnerships">www.swisscom.ch/cr-partnerships</a></td>
</tr>
</tbody>
</table>

### Strategy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-14 Statement from senior decision maker</td>
<td>MC P.6 Shareholders’ letter; SR P.5 Stakeholders’ letter</td>
</tr>
<tr>
<td>102-15 Key impacts, risks, and opportunities</td>
<td>Context: MC P.18 General conditions; SR P.7 Sustainable environment; Risks: MC P.63 Risks; SR P.36 Main risk factors in the supply chain; Chances: MC P.32 Brands, products and services; Goals and strategy: MC P.14 Corporate strategy; SR P.15 Sustainability strategy</td>
</tr>
</tbody>
</table>

### Ethics and integrity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-17 Mechanisms for advice and concerns about ethics</td>
<td>SR P.23 Compliance management; CG P.84 Compliance management; CG P.84 Internal auditing</td>
</tr>
<tr>
<td>Indicators</td>
<td>Status</td>
</tr>
<tr>
<td>------------</td>
<td>--------</td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
</tr>
<tr>
<td>102-19</td>
<td>Delegating authority</td>
</tr>
<tr>
<td>102-20</td>
<td>Executive level responsibility for economic, environmental, and social topics</td>
</tr>
<tr>
<td>102-21</td>
<td>Consulting stakeholders on economic, environmental, and social topics</td>
</tr>
<tr>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
</tr>
<tr>
<td>102-23</td>
<td>Chair of the highest governance body</td>
</tr>
<tr>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
</tr>
<tr>
<td>102-25</td>
<td>Conflicts of interest</td>
</tr>
<tr>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
</tr>
<tr>
<td>102-27</td>
<td>Collective knowledge of highest governance body</td>
</tr>
<tr>
<td>102-28</td>
<td>Evaluating the highest governance body’s performance</td>
</tr>
<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
</tr>
<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
</tr>
<tr>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
</tr>
<tr>
<td>102-32</td>
<td>Highest governance body’s role in sustainability reporting</td>
</tr>
<tr>
<td>102-33</td>
<td>Communicating critical concerns</td>
</tr>
<tr>
<td>102-34</td>
<td>Nature and total number of critical concerns</td>
</tr>
<tr>
<td>102-35</td>
<td>Remuneration policies</td>
</tr>
<tr>
<td>102-36</td>
<td>Process for determining remuneration</td>
</tr>
<tr>
<td>102-37</td>
<td>Stakeholders’ involvement in remuneration</td>
</tr>
<tr>
<td>102-38</td>
<td>Annual total compensation ratio</td>
</tr>
<tr>
<td>102-39</td>
<td>Percentage increase in annual total compensation ratio</td>
</tr>
</tbody>
</table>
## Stakeholder engagement

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
</tr>
</tbody>
</table>

## Reporting practice

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
</tr>
</tbody>
</table>

## 200 Economic Topics

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topics and its boundaries</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
</tr>
</tbody>
</table>

## 201 Economic Performance

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
</tr>
<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
</tr>
</tbody>
</table>

## 202 Market Presence

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage</td>
</tr>
<tr>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
</tr>
</tbody>
</table>

## 203 Indirect Economic Impacts

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
</tr>
<tr>
<td>203-2</td>
<td>Significant indirect economic impacts</td>
</tr>
<tr>
<td>Indicators</td>
<td>Status</td>
</tr>
<tr>
<td>------------</td>
<td>--------</td>
</tr>
</tbody>
</table>
| 204 Procurement Practices | | Key indicator according to GRI Standards (within scope of the report)  
Ø = not relevant, ˛ = not covered, ˇ = partially covered, ı = totally covered |
| 103-1 Explanation of the material topics and its boundaries | ı | SR P. 36 Fair supply chain – Management approach |
| 103-2 The management approach and its components | ı | SR P. 36 Fair supply chain – Management approach |
| 103-3 Evaluation of the management approach | ı | SR P. 36 Fair supply chain – Management approach |
| 204-1 Proportion of spending on local suppliers | ı | There is a location-based supplier selection for the location Switzerland. |
| 205 Anti-Corruption | | |
| 103-1 Explanation of the material topics and its boundaries | ı | SR P. 23 The Group’s precautionary principle  
SR P. 23 Compliance management |
| 103-2 The management approach and its components | ı | SR P. 23 Compliance management |
| 103-3 Evaluation of the management approach | ı | SR P. 23 Compliance management |
| 205-1 Operations assessed for risks related to corruption | ı | Risk-prone procedures are examined. |
| 205-2 Communication and training about anti-corruption policies and procedures | ı | Annual anti-corruption training;  
SR P. 23 Compliance management |
| 205-3 Confirmed incidents of corruption and actions taken | ı | No corruption cases have been identified. |
| 206 Anti-Competitive Behaviour | | |
| 103-1 Explanation of the material topics and its boundaries | ı | SR P. 23 The Group’s precautionary principle  
SR P. 23 Compliance management |
| 103-2 The management approach and its components | ı | SR P. 23 Compliance management |
| 103-3 Evaluation of the management approach | ı | SR P. 23 Compliance management |
| 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | ı | MC P. 18 Legal environment;  
MC P. 19 Federal Cartel Act (CarA);  
FS P. 153 Contingent liabilities for regulatory and competition law proceedings |
| 300 Environmental Topics | | |
| 103-1 Explanation of the material topics and its boundaries | ı | SR P. 41 More for the environment – Management approach  
SR P. 41 More for the environment – Management approach |
| 103-2 The management approach and its components | ı | SR P. 41 More for the environment – Management approach  
SR P. 41 More for the environment – Management approach |
| 103-3 Evaluation of the management approach | ı | SR P. 41 More for the environment – Management approach |
| 301 Materials | | |
| 301-1 Materials used by weight or volume | ı | SR P. 47 Use of other resources |
| 301-2 Recycled input materials used | ı | SR P. 49 Recycling |
| 301-3 Recycled products and their packaging materials | ı | SR P. 47 Paper;  
SR P. 46 Circular economy |
| 302 Energy | | |
| 302-1 Energy consumption within the organization | ı | SR P. 42 Energy efficiency in operations;  
SR P. 52 Environmental key figures in Switzerland;  
Separate climate report Swisscom 2019 available online at the link: www.swisscom.ch/climatereport2019 |
| 302-2 Energy consumption outside of the organization | ı | SR P. 44 Climate protection through customers and portfolio;  
Separate climate report Swisscom 2019 available online at the link: www.swisscom.ch/climatereport2019 |
| 302-3 Energy intensity | ı | SR P. 41 Energy efficiency and climate protection;  
SR P. 50 CO₂ intensity;  
SR P. 51 Environmental key figures in Switzerland |
| 302-4 Reduction of energy consumption | ı | SR P. 50 CO₂ savings due to ICT services;  
SR P. 51 Environmental key figures in Switzerland |
| 302-5 Reductions in energy requirements of products and services | ı | SR P. 50 CO₂ savings due to ICT services;  
SR P. 44 Climate protection through customers and portfolio;  
SR P. 52 Environmental key figures in Switzerland |
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>303 Water</strong></td>
<td></td>
</tr>
<tr>
<td>303-1 Interactions with water as a shared resource</td>
<td>Ø SR P.52 Environmental key figures in Switzerland; SR P.47 Use of other resources: Water</td>
</tr>
<tr>
<td>303-2 Management of water discharge-related impacts</td>
<td>Ø Not relevant, as water is only used for sanitary purpose.</td>
</tr>
<tr>
<td>303-3 Water withdrawal</td>
<td>Ø Household water only</td>
</tr>
<tr>
<td><strong>304 Biodiversity</strong></td>
<td></td>
</tr>
<tr>
<td>304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
<td>Ø SR P.49 Use of other resources: Nature and landscape conservation</td>
</tr>
<tr>
<td>304-2 Significant impacts of activities, products, and services on biodiversity</td>
<td>Ø SR P.49 Use of other resources: Nature and landscape conservation</td>
</tr>
<tr>
<td>304-3 Habitats protected or restored</td>
<td>Ø SR P.49 Use of other resources: Nature and landscape conservation</td>
</tr>
<tr>
<td>304-4 IUCN Red list species and national conservation list species with habitats in areas affected by operations</td>
<td>Ø Not collected as not relevant.</td>
</tr>
<tr>
<td><strong>305 Emissions</strong></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topics and its boundaries</td>
<td>Ø SR P.41 Energy efficiency and climate protection – Management approach</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Ø SR P.41 Energy efficiency and climate protection – Management approach</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Ø SR P.41 Energy efficiency and climate protection – Management approach</td>
</tr>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>Ø SR P.42 Energy efficiency in operations; SR P.52 Environmental key figures in Switzerland; Separate climate report Swisscom 2019 available online at the link: <a href="http://www.swisscom.ch/climatereport2019">www.swisscom.ch/climatereport2019</a></td>
</tr>
<tr>
<td>305-2 305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>Ø SR P.42 Energy efficiency in operations; SR P.52 Environmental key figures in Switzerland; Separate climate report Swisscom 2019 available online at the link: <a href="http://www.swisscom.ch/climatereport2019">www.swisscom.ch/climatereport2019</a></td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>Ø SR P.42 Energy efficiency in operations; SR P.52 Environmental key figures in Switzerland; Separate climate report Swisscom 2019 available online at the link: <a href="http://www.swisscom.ch/climatereport2019">www.swisscom.ch/climatereport2019</a></td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td>Ø SR P.44 Climate protection through customers and portfolio; SR P.52 Environmental key figures in Switzerland; Separate climate report Swisscom 2019 available online at the link: <a href="http://www.swisscom.ch/climatereport2019">www.swisscom.ch/climatereport2019</a></td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td>Ø SR P.44 Climate protection through customers and portfolio; SR P.52 Environmental key figures in Switzerland; Separate climate report Swisscom 2019 available online at the link: <a href="http://www.swisscom.ch/climatereport2019">www.swisscom.ch/climatereport2019</a></td>
</tr>
<tr>
<td>305-6 Emissions of ozone-depleting substances (ODS)</td>
<td>Ø SR P.48 Cooling systems and refrigerants</td>
</tr>
<tr>
<td>305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions</td>
<td>Ø SR P.52 Environmental key figures in Switzerland</td>
</tr>
<tr>
<td><strong>306 Efluents and waste</strong></td>
<td></td>
</tr>
<tr>
<td>306-1 Water discharge by quality and destination</td>
<td>Ø Water is only used for sanitary purposes.</td>
</tr>
<tr>
<td>306-2 Waste by type and disposal method</td>
<td>Ø SR P.48 Waste; SR P.49 Recycling; SR P.52 Environmental key figures in Switzerland</td>
</tr>
<tr>
<td>306-3 Significant spills</td>
<td>Ø No significant releases known.</td>
</tr>
<tr>
<td>306-4 Transport of hazardous waste</td>
<td>Ø Not relevant. Swisscom did not transport in 2019 waste classified under the Basle Convention.</td>
</tr>
<tr>
<td>306-5 Water bodies affected by water discharges and/or runoff</td>
<td>Ø Not relevant. Waste water is discharged into municipal sewage treatment plants.</td>
</tr>
</tbody>
</table>

Key indicator according to GRI Standards (within scope of the report): Ø =not relevant; ˛ = not covered; ɔ = partially covered; ˇ = totally covered.
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>307 Environmental compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>307-1 Non-compliance with environmental laws and regulations</td>
<td>Ø</td>
<td>Not relevant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SR P.23 Compliance management</td>
</tr>
<tr>
<td><strong>308 Supplier Environmental Assessment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topics and its boundaries</td>
<td></td>
<td>SR P.36 Fair supply chain – Management approach</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td></td>
<td>SR P.36 Fair supply chain – Management approach</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td></td>
<td>SR P.36 Fair supply chain – Management approach</td>
</tr>
<tr>
<td>308-1 New suppliers that were screened using environmental criteria</td>
<td></td>
<td>SR P.39 Audits</td>
</tr>
<tr>
<td>308-2 Negative environmental impacts in the supply chain and actions taken</td>
<td></td>
<td>SR P.39 Audits; SR P.36 Main risk factors in the supply chain</td>
</tr>
<tr>
<td><strong>400 Social</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topics and its boundaries</td>
<td></td>
<td>SR P.26 More for the people – Management approach</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td></td>
<td>SR P.26 More for the people – Management approach</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td></td>
<td>SR P.26 More for the people – Management approach</td>
</tr>
<tr>
<td><strong>401 Employment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401-1 New employee hires and employee turnover</td>
<td></td>
<td>SR P.35 Total workforce in Switzerland; MCP.28 Social plan</td>
</tr>
<tr>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td></td>
<td>MCH P.27 Employees; SR P.28 Remuneration: Fringe benefits</td>
</tr>
<tr>
<td>401-3 Parental leave</td>
<td></td>
<td>SR P.28 Remuneration: Paternity and maternity leave</td>
</tr>
<tr>
<td><strong>402 Labour/management relations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topics and its boundaries</td>
<td></td>
<td>MCP.27 Employees in Switzerland</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td></td>
<td>MCP.27 Employees in Switzerland</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td></td>
<td>MCP.27 Employees in Switzerland</td>
</tr>
<tr>
<td>402-1 Minimum notice periods regarding operational changes</td>
<td></td>
<td>CEA § 3.3 Negotiations should be engaged early enough with the contracting unions.</td>
</tr>
<tr>
<td><strong>403 Occupational health and safety</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topics and its boundaries</td>
<td></td>
<td>SR P.32 Work stress and resilience – management approach</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td></td>
<td>SR P.32 Work stress and resilience – management approach</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td></td>
<td>SR P.32 Work stress and resilience – management approach</td>
</tr>
<tr>
<td>403-1 Occupational health and safety management system</td>
<td></td>
<td>MCP.27 Collective employment agreement (CEA); MCP.27 Employees (100% of staff); SR P.32 Occupational health and safety</td>
</tr>
<tr>
<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
<td></td>
<td>SR P.35 Total workforce in Switzerland</td>
</tr>
<tr>
<td>403-3 Occupational health services</td>
<td></td>
<td>Swisscom does not operate in areas or countries that are at high risk for communicable diseases or where communicable diseases are particularly common.</td>
</tr>
<tr>
<td>403-4 Health and safety issues covered by formal agreements with trade unions</td>
<td></td>
<td>SR P.32 Occupational health and safety</td>
</tr>
</tbody>
</table>
## 404 Training and education

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topics and its boundaries</td>
<td>SR P. 28 Employability – Management approach</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>SR P. 28 Employability – Management approach</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>SR P. 28 Employability – Management approach</td>
</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>SR P. 30 Average number of hours of training and further education per year and employee</td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>SR P. 28 Employability</td>
</tr>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>SR P. 30 Evaluating performance and professional development; SR P. 35 Total workforce in Switzerland; MC P. 27 Collective employment agreement (CEA)</td>
</tr>
</tbody>
</table>

## 405 Diversity and equal opportunity

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topics and its boundaries</td>
<td>SR P. 30 Diversity and equal opportunities – Management approach</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>SR P. 30 Diversity and equal opportunities – Management approach</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>SR P. 30 Diversity and equal opportunities – Management approach</td>
</tr>
<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>CG P. 72 4 Board of Directors; CG P. 86 5 Group Executive Board; SR P. 35 Total workforce in Switzerland</td>
</tr>
<tr>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>MC P. 28 Employee remuneration; SR P. 28 Remuneration, equal pay; SR P. 35 Total workforce in Switzerland</td>
</tr>
</tbody>
</table>

## 406 Non-discrimination

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>SR P. 31 Cases of discrimination and measures taken; SR P. 39 Audit results – number of issues; No incidents of discrimination reported.</td>
</tr>
</tbody>
</table>

## 407 Freedom of association and collective bargaining

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>Covered mutually thanks to agreed peace obligation pursuant to CEA.</td>
</tr>
</tbody>
</table>

## 408 Child labour

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Status</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labour</td>
<td>SR P. 36 Main risk factors in the supply chain</td>
</tr>
<tr>
<td>Indicators</td>
<td>Status</td>
<td>Reference</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------</td>
<td>-----------</td>
</tr>
<tr>
<td>409 Forced or compulsory labour</td>
<td></td>
<td>MC, SR, CG, RR, FS, Website Swisscom</td>
</tr>
<tr>
<td>409-1 Operations and suppliers at</td>
<td></td>
<td>SR P 36 Main risk factors in the supply chain</td>
</tr>
<tr>
<td>significant risk for incidents</td>
<td></td>
<td>of forced or compulsory labour</td>
</tr>
<tr>
<td>412 Human rights assessment</td>
<td></td>
<td>MC, SR, CG, RR, FS, Website Swisscom</td>
</tr>
<tr>
<td>412-1 Operations that have been</td>
<td></td>
<td>No new company locations in 2019.</td>
</tr>
<tr>
<td>subject to human rights reviews or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>impact assessments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>412-2 Employee training on human</td>
<td></td>
<td>SR P 22 Corporate ethics</td>
</tr>
<tr>
<td>rights policies or procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>412-3 Significant investment</td>
<td></td>
<td>The Corporate Responsibility Contract Appendix (CRV) is part of all contracts.</td>
</tr>
<tr>
<td>agreements and contracts that</td>
<td></td>
<td></td>
</tr>
<tr>
<td>include human rights clauses or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>that underwent human rights</td>
<td></td>
<td>screening</td>
</tr>
<tr>
<td>414 Supplier social assessment</td>
<td></td>
<td>MC, SR, CG, RR, FS, Website Swisscom</td>
</tr>
<tr>
<td>103-1 Explanation of the material</td>
<td></td>
<td>SR P 36 Fair supply chain – management approach</td>
</tr>
<tr>
<td>topics and its boundaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and</td>
<td></td>
<td>SR P 36 Fair supply chain – management approach</td>
</tr>
<tr>
<td>its components</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management</td>
<td></td>
<td>SR P 36 Fair supply chain – management approach</td>
</tr>
<tr>
<td>approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>414-1 New suppliers that were</td>
<td></td>
<td>SR P 39 Audits</td>
</tr>
<tr>
<td>screened using social criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>414-2 Negative social impacts in</td>
<td></td>
<td>SR P 39 Audits;</td>
</tr>
<tr>
<td>the supply chain and actions</td>
<td></td>
<td>SR P 35 Main risk factors in the supply chain</td>
</tr>
<tr>
<td>taken</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicators</td>
<td>Status</td>
<td>Reference MC = Management Commentary, SR = Sustainability Report, CC = Corporate Governance, RR = Remuneration Report, FS = Financial Statements or Website Swisscom</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>415 Public policy</td>
<td></td>
<td><strong>415-1 Political contributions</strong></td>
</tr>
<tr>
<td>416 Customer health and safety</td>
<td></td>
<td><strong>416-1 Assessment of the health and safety impacts of product and service categories</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</strong></td>
</tr>
<tr>
<td>417 Marketing and labelling</td>
<td></td>
<td><strong>417-1 Requirements for product and service information and labelling</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>417-2 Incidents of non-compliance concerning product and service information and labelling</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>417-3 Incidents of non-compliance concerning marketing communications</strong></td>
</tr>
<tr>
<td>418 Customer privacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-1 Explanation of the material topics and its boundaries</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-2 The management approach and its components</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-3 Evaluation of the management approach</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</strong></td>
</tr>
<tr>
<td>419 Socioeconomic compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-1 Explanation of the material topics and its boundaries</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-2 The management approach and its components</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>103-3 Evaluation of the management approach</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>419-1 Non-compliance with laws and regulations in the social and economic area</strong></td>
</tr>
</tbody>
</table>
**Glossary**

### Technical terms

**4G/LTE (Long-Term Evolution):** 4G/LTE is the fourth generation of mobile technology. At present, LTE enables mobile broadband data speeds of up to 150 Mbps.

**4G+/LTE Advanced:** 4G+/LTE enables theoretical broadband data speeds of up to 700 Mbps via the mobile network. To do so, it bundles 4G/LTE frequencies to achieve the required capacity.

**5G:** 5G is the latest generation in mobile network technology. 5G brings with it even more capacity, very short response times and higher bandwidths, and supports the digitisation of Swiss business and industry.

**All IP:** All IP means that all services such as television, the Internet and fixed-line phone run over the same IT network. Swisscom switched all existing communication networks to Internet Protocol (IP) by the end of 2019. The IP services within Switzerland thus operate on Swisscom’s own network, thereby enhancing security and availability in comparison with other voice services on the World Wide Web.

**Bandwidth:** Bandwidth refers to the transmission capacity of a medium, also known as the data transmission rate. The higher the bandwidth, the more information units (bits) can be transmitted per unit of time (second). It is defined in bps, kbps or Mbps.

**Cloud:** Cloud computing makes it possible for IT infrastructures such as computing capacity, data storage, ready-to-use software and platforms to be accessed dynamically via the Internet as needed. The data centres, along with the resources and databases, are distributed via the cloud. The term “cloud” refers to such hardware which is not precisely locatable.

**FTTH (Fibre to the Home):** FTTH refers to the end-to-end connection of homes and businesses using fibre-optic cables instead of traditional copper cables.

**FTTS (Fibre to the Street)/FTTB (Fibre to the Building)/FTTC (Fibre to the Curb):** FTTS, FTTB and FTTC in conjunction with vectoring refer to innovative, hybrid broadband connection technologies (optical fibre and copper). With these technologies, optical fibre is brought as near as possible to buildings and in the case of FTTB right to the building’s basement; the existing copper cables are used for the remaining stretch. The future technological evolution from VDSL2 to G.fast will significantly increase the bandwidths for FTTS and FTTB.

**Optical fibre:** Optical fibre is a transport medium for optical data transmission – in contrast to copper cables, which transmit data through electrical signals.

**ICT (Information and Communication Technology):** The terms “information technology” and “communication technology” were first combined in the 1980s to denote the convergence of information technology (information and data processing and the related hardware) and communication technology (technically aided communications).

**IoT (Internet of Things):** The connecting of things, devices and machines to enable recording of status and environmental data. These data provide the basis for optimising processes, such as early identification of failing machine components. IoT facilitates new business models based on these data or opens up new opportunities for interacting with customers.

**Roaming:** Roaming is when a mobile user makes calls, uses other mobile services or participates in data traffic outside his or her home network, i.e. usually abroad. This requires that the mobile device in question is compatible with the roaming network. In Europe all GSM networks use the same frequency bands. Other countries such as the USA or countries in South America use a different frequency range. Most mobile telephones today are triband or quadband and support 900 MHz and 1800 MHz networks (which are most commonly used in Europe) as well as 850 MHz and 1900 MHz networks.

**Router:** A router is a device for connecting or separating several computer networks. The router analyses incoming data packets according to their destination address and either blocks them or forwards them accordingly (routing). Routers come in different types, ranging from large machines in a network to the small devices used by residential customers.

**Ultra-fast broadband:** Ultra-fast broadband denotes broadband speeds of more than 50 Mbps – on both the fixed-line and mobile networks.

**WLAN (Wireless Local Area Network):** A wireless local area network (WLAN) connects several computers wirelessly and links them to a central information system, printer or scanner.
Other terms

Federal Office of Communications (OFCOM): OFCOM deals with issues related to telecommunications and broadcasting (radio and television) and performs official and regulatory tasks in these areas. It prepares the decisions of the Swiss Federal Council, the Federal Department of the Environment, Transport, Energy and Communications (DETEC) and the Federal Communications Commission (ComCom).

ComCom (Federal Communications Commission): ComCom is the decision-making authority for telecommunications. Its primary responsibilities include issuing concessions for use of the radio frequency spectrum as well as basic service licences. It also provides access ( unbundling, interconnection, leased lines, etc.), approves national numbering plans and regulates the conditions governing number portability and freedom of choice of service provider.

FTE (full-time equivalent): Throughout this report, FTE is used to denote the number of full-time equivalent positions.

Sustainability terms

Audit: Term for a check carried out by external (or internal) experts regarding the fulfilment of requirements and guidelines.

CO₂ eq: CO₂ equivalents (CO₂ eq) are a unit of measurement for standardising the climate impact of the various greenhouse gases. (Source: myclimate)

Code of Conduct SIEA: The Code of Conduct as drafted by the Swiss Interactive Entertainment Association SIEA (www.siea.ch) to promote and ensure the active protection of minors in Switzerland with regard to age ratings/accessibility of interactive entertainment software.

CSR: “Corporate Social Responsibility” refers to corporate responsibility for people, society and the environment.

EcoVadis: EcoVadis supports the enforcement of environmental and social standards in global supply chains through uniform sustainability rankings of suppliers. As part of its risk management system, Swisscom bases its purchasing activities on the declarations of its suppliers, which are carried out with EcoVadis.

Electromagnetic fields: Electromagnetic fields occur naturally or are generated technically. They are not ionising. This means that they do not have enough energy to change the building blocks of matter. Electromagnetic fields are divided into low frequency and high frequency according to the number of oscillations per second.

EnAW: Energy Agency for Industry. Swisscom joined the Energy Agency in 2003 and signed a new agreement on objectives to increase its energy efficiency. The current agreement on objectives runs until 2020.

CEA: Collective employment agreement

GeSI: Global e-Sustainability Initiative (GeSI). The GeSI is an initiative of companies from the ICT sector, whose aim is to promote sustainability. Swisscom works within the framework of the initiative to promote fair and sustainable supply chains in particular.

GRI: The Global Reporting Initiative (GRI) is an organisation that develops guidelines for the preparation of corporate sustainability reports in a participatory process.

GRI standards: The GRI standards represent global best practice for public reporting on various economic, environmental and social impacts. Sustainability reporting based on the standards provides information about the positive or negative contributions of an organisation to sustainable development. (Source: globalreporting.org)

ISO 14001: An international environmental management standard that sets globally recognised requirements for an environmental management system.

JAC: Joint Audit Cooperation. The elimination of any vulnerabilities identified is reviewed on a regular basis to ensure compliance with the environmental and social standards we expect. As part of the JAC, an international association of telecommunications companies plans and conducts CSR audits of suppliers. Swisscom has been a member of the JAC since 2012.

Circular economy: The circular economy is characterised by the fact that raw materials are used efficiently and for as long as possible. If we succeed in closing material and product cycles, raw materials can be used again and again. (Source: BAFU)

myclimate: The myclimate foundation supports Swisscom in the environmental assessment of its smartphone range, comparisons of sustainable ICT solutions and the review of climate balances and is an educational partner of the “Energy and Climate Pioneers” initiative.

NISV: In the Ordinance on Protection against Non-Ionising Radiation (NISV), Switzerland has regulated the limits for the maximum permissible electrical, magnetic and electromagnetic radiation from fixed installations in the frequency range from 0 Hz to 300 GHz. A two-stage protection concept was applied. At all accessible places, the exposure limit value, which corresponds to the recommendations of the WHO, must be observed. In order to take account of the precautionary principle required by the Environmental Protection Act, values which are ten times stricter were set as a precautionary
measure for places which are heavily used where people stay for long periods of time, based on technical feasibility and economic viability.

**RE100:** The RE100 initiative brings together companies worldwide who want to obtain 100% of their electrical energy from renewable sources as soon as possible (at the latest by 2050). Swisscom has already achieved its target.

**Scope 1:** Direct GHG emissions resulting from own activities (e.g. from the combustion of fossil fuels for heating and mobility or from refrigerants).

**Scope 2:** Indirect GHG emissions resulting from purchased energy.

**Scope 3:** All other GHG emissions resulting from upstream and downstream activities (e.g. in the supply chain).

**Sponsors:** Members of the Group Executive Board as well as the Head of Group Communications & Responsibility are sponsors for the different strands of the sustainability strategy and contribute accordingly.

**Radiation:** Radiation is a form of energy that propagates as electromagnetic waves. A distinction is made between ionising and non-ionising radiation. Ionising radiation can change the building blocks of matter such as molecules or atoms, non-ionising radiation has too little energy for this. Therefore, non-ionising radiation cannot change atoms or molecules. Mobile networks use non-ionising radiation.

**Electricity mix:** Composition of the electricity by type of energy production (e.g. hydro, wind power)

**Greenhouse gases:** Greenhouse gases, also referred to as “climate gases”. Gases such as CO₂, methane, sulphur hexafluoride, N₂O and F-gases that cause the “greenhouse effect” by reflecting the sun’s rays within the atmosphere.

**UN Global Compact:** The United Nations Global Compact is the world’s largest initiative for corporate sustainability. Its members work around the globe to uphold principles on human rights, working conditions, environmental protection and anti-corruption.

**Sustainable Development Goals (SDGs):** The 17 Sustainable Development Goals with their 169 sub-goals are at the heart of the 2030 Agenda. They take into account the economic, social and environmental dimensions of sustainable development in a balanced way and, for the first time, bring poverty reduction and sustainable development together into one agenda. (Source: DFA)

**Work Smart Initiative:** The Work Smart association was created from the Home Office Day foundation. Swisscom is one of the sponsors of the newly founded association and, together with its partners, is supporting a nationwide program aimed at raising awareness of flexible and mobile working.

**WWF:** Swisscom has been working with the WWF since 2006 with the aim of reducing its carbon footprint and promoting climate-friendly services. Together, we will demonstrate the potential of digitisation for a more sustainable, energy-efficient and comfortable lifestyle, and make it work. Swisscom also supports the WWF Footprint Calculator and the WWF Advisor App as a partner.