



Sustainability Report 2020

swisscom



We are

ready

# Annual Report publications



The Annual Report, Sustainability Report and “2020 at a glance” together make up Swisscom’s reporting on 2020. The three publications are available online at: [swisscom.ch/report2020](https://www.swisscom.ch/report2020)

## Concept “ready”

With the brand platform “ready”, Swisscom also wants to revitalise its brand internally and externally and make the networked future accessible to its customers in a simple way.

The pictures in the Annual Report 2020 show Swisscom employees who were also ready in this extraordinary year in order to enable our customers, for their part, to be “ready for life”.

The cover of the Annual Report and “2020 at a glance” shows Dilan Mert, Shop Manager Shopville at Zurich Main Station.

The cover page of the Sustainability Report shows Saskia Günther, the new head of the Sustainability Team.

A big thank you to all who took time to pose for these photographs and film recordings: Lorenz Inglin, Florian Leibenzeder, Florian Badertscher, Sebnem Kaslack, Stefan Kuch, Reto Jost, Pascal Salina, Carmen Wäfeler, Markus Gisi, Cloé Zähringer-Cela, Dilan Mert, Dany Kammacher, Patrick Weibel, Barbara Pytlik, Klaus Liechti, Luigi Chiofalo, Saskia Günther and Giulia Langhi.

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# Circular economy

“Refreshed smartphones” – Swisscom online shop now offers second-hand smartphones.

Climate-neutral operations



Our operations has been climate-neutral since August 2020.

## 10 years **JAMES study**

JAMES is the Swiss study on the media use and leisure behaviour of 12 to 19 year olds.



## World leader in sustainability

We have been named the world's most sustainable telecommunication company by three rating agencies.



## Green bond

worth over  
EUR 500 million  
placed.

Promotion  
Media Competence

# 57,400

People have benefited from our information services and training – increasingly online because of Covid-19.





## Stakeholders' letter

Dear Readers

Crises force us to look at the world in a new way. 2020 has been an exceptional year, with the pandemic significantly restricting how we live our lives. But this crisis has also clearly demonstrated the possibilities of digitisation. Imagine a lockdown without home office, remote classrooms or online shopping – and with no video calls with families and friends. During this challenging period, we actively supported our customers – for example by offering additional data volumes, greater Internet speeds, free home office solutions for SMEs and schools and extra roaming credit for customers stranded abroad. Following the outbreak of the coronavirus pandemic, many Swisscom Academy courses were also offered online at short notice: in the months of the first lockdown in spring alone, 6,430 participants took advantage of our online offerings.

### Home office as a useful addition

Digital tools cannot and should not replace face-to-face meetings, but they can really complement them in a meaningful way. Recognising this reality means looking at things differently and this will lead to long-term changes in the way we live and work. This could be seen at Swisscom in the year under review: over 80% of our 16,000 employees in Switzerland worked from home, and another 90% of them were satisfied or very satisfied with their home office arrangement and would like to work more days from home in the future. The trend was also reflected in the FlexWork study by the University of Applied Sciences and Arts Northwestern Switzerland: mobile, flexible working was significantly boosted during the lockdown. Just under half of the respondents believe that this has led to a “significantly more positive attitude” in their company.

With its high-performance networks, Switzerland has created the best conditions for successful digitisation, which makes our network outages at the beginning of the year all the more painful. These fell far short of our high standards, but were resolved quickly thanks to efficient and immediate action. During the lockdown, our networks were available at all times despite considerably higher usage. To ensure that this remains the case, we invested CHF 1.6 billion in the maintenance and expansion of our infrastructure in 2020. With our new network strategy, we want to double our fibre-to-the-home (FTTH) coverage to include up to 60% of homes and businesses. Since 2020, our basic service provision has included bandwidths of 10 Mbps – one of the highest in Europe and enough to facilitate home office and remote classrooms.

### 5G – an opportunity for climate protection

With the expansion of 5G, mobile communication is now an integral part of a complete network infrastructure. Some people mainly associate this new technology with risks – despite the fact that the frequencies are well researched and international expert bodies, such as the World Health Organisation (WHO), have confirmed that the recommended international limits pose no risk to people's health. However, we take these concerns seriously: last year, we responded to 181 citizen enquiries.

These opportunities from these new forms of technology to make Switzerland sustainable: the potential of 5G can be seen in the pilot projects on a special website and the 124 applications submitted from 26 countries for Swisscom's 5G Start Up Challenge. The study by the University of Zurich and the Swiss Federal Laboratories for Materials Science and Technology (EMPA), commissioned by Swisscom and Swisscleantech, also made it clear that 5G has environmental benefits and can help reduce CO<sub>2</sub> emissions. To coordinate all these activities, we created a dedicated position to act as a "Delegate for Sustainability and Digitisation".

### Swisscom is the world leader in sustainability

Swisscom was listed in several ratings as the world's most sustainable telecommunications company in 2020. This is an encouraging confirmation of the progress we have made. More than anything, though, this is an incentive not to stray from the path we have chosen.

The subject of climate protection was given a further boost by concerns about the environment. We are supporting this change in the way of thinking by enabling our customers to offset the carbon footprint of their smartphone, and fund various South Pole forest conservation projects in the process. We now also offer refurbished smartphones in our online shop – a sustainable and cost-effective solution for customers.

Since last August, our operations have been climate neutral: after cutting 80% of our CO<sub>2</sub> emissions, we are taking the next logical step and fully offsetting our remaining emissions through myclimate. Our Sustainability Strategy is supported by the Group Executive Board, which recently opted to measure its own performance against this metric.

We have met our commitments with regard to ecological and social responsibility throughout our entire supply chain for years. We do this by creating transparency, enhancing industry-wide collaboration and optimising our suppliers.

Swisscom is the first listed Swiss company to issue a EUR 500 million green bond. By doing so, we demonstrated that the financing of sustainable projects has considerable appeal among investors. The funds raised by the green bond go towards achieving the goals of the Sustainability Strategy with regard to climate protection and energy efficiency.

### From a new way of looking at things to action

The wheel of time cannot be turned back, but the impetus from digitisation can help to ensure a new way of looking at things will also lead to action. We will continue on our 20-year path towards climate protection, sustainability and the promotion of media competency. We are guided by the UN Sustainable Development Goals (SDG) and by our sense of responsibility towards our customers, our employees and shareholders, society and our planet.



Stefan Nünlist  
Head of Group Communications & Responsibility



Saskia Günther  
Head of Corporate Responsibility

## Our corporate responsibility

Swisscom is the Swiss market leader for mobile telecommunications, fixed-line telephony and television. We also occupy a significant market position in various IT business segments. In Italy, our subsidiary Fastweb offers fixed-line and mobile communications services.

Megatrends such as digitisation are rapidly changing our society and economy. They also influence our activities. Characteristic examples of this include increasing connectivity, the exponential growth in data, new customer needs, the mounting importance of software, security and data protection, and technological progress towards the Internet of Things and artificial intelligence. Digitisation is increasingly penetrating all areas of life and is ushering in new business models. This digital transformation brings with it opportunities and challenges – for our business as well as for the economy, society and the environment. Our ultimate aim is to ensure that we and Switzerland make the best possible use of these opportunities and successfully master the challenges, both now and in the future.

Sustainable management and long-term responsibility have been central values that are deeply rooted in our company at least since we began implementing systematic sustainability management more than 20 years ago: these values are expressed in our vision, promise, corporate business strategy and code of conduct and are addressed in detail in the Sustainability Strategy 2025. The Sustainability Strategy affects our entire value chain.

As a national provider of communications infrastructure, we have special ties with Switzerland. Our nationwide stakeholders, such as customers, employees, investors and federal authorities, place high demands on us in terms of sustainability. Working together with them, we identify key strategic issues year after year on which we will focus when implementing the Sustainability Strategy 2025. Through the annual review, we ensure that our commitment keeps pace with current developments in the economy, politics and society.

In addition to the expectations of stakeholders and Swiss legislation, the United Nations Agenda 2030 with its 17 Sustainable Development Goals defines the framework for our Sustainability Strategy. It is the first holistic framework for environmentally, socially and economically sustainable development in the public and private sectors. Every time we make progress in our priority areas, we contribute to achieving these goals.

In implementing our Sustainability Strategy, we are committed to transparency and an open dialogue with the public. After all, we can only be successful if there is agreement between the company and society and if we can convince our stakeholders with responsible actions based on ethical principles.

With this inquisitive, committed and trustworthy attitude, we inspire people in the networked world every day and help shape the future. We are ready for people. We are ready for the environment. And we are ready for Switzerland.

## Opportunities and challenges of digitisation

Digitisation and how society deals with it are particularly influential in our actions and strategy. At the same time, as the largest ICT provider in Switzerland, we are significantly influencing and accelerating digitisation. We believe it is essential that this digital transformation serves sustainable development. In order to steer the change in the right direction, we are guided by how the risks and opportunities of digitisation are perceived by the population. In discussions and surveys, interest groups have pointed out the following items:

- Information and communication technologies have an important role to play in promoting sustainable lifestyles, while at the same time leading to higher resource and energy consumption.
- ICT technologies (networks, data centres and end devices) consume a lot of energy. At the same time they replace or optimise other energy-intensive and CO<sub>2</sub>-intensive applications.
- Artificial intelligence creates new possibilities but also raises concerns.
- Digitisation creates new jobs but also makes current jobs redundant.

These prospects illustrate how complex and multi-layered individual aspects of digitisation are or at least are perceived to be.

Currently, 5G symbolises the further development of digitisation like no other topic. 5G offers great opportunities and at the same time causes a certain amount of public uncertainty about the effects of radiation, energy consumption or data security. For this reason we commissioned the University of Zurich and EMPA together with Swisscleantech to conduct a study that examined the contribution 5G can make to climate protection. The study showed that the expansion of a mobile network with 5G technology is much more climate-friendly and energy-efficient than with today's 4G technology. The study also showed that the potential for climate protection through climate-friendly applications of 5G is much greater than the impact on the climate caused by the provision and operation of the 5G network. The rapid expansion of the 5G network is thus an opportunity for climate protection.

© See [www.swisscom.ch/5Gclimatestudy](http://www.swisscom.ch/5Gclimatestudy)

Digitisation can therefore make a significant contribution to sustainability. In the year under review, the Global e-Sustainability Initiative (GeSI) therefore launched the "Digital with Purpose" initiative, which aims to highlight and promote the contribution of digitisation to the Sustainable Development Goals. The initiative is the logical

continuation of the study of the same name “Digital with Purpose”, which was published in 2019 and which we supported as co-sponsor. We were one of the first telecommunications companies worldwide to join the initiative.

The “Digital with Purpose” initiative will in future require telecommunications companies to take further steps in topics such as climate protection or the promotion of sustainable services in order to make a significant contribution as an industry to achieving the goals of Agenda 2030. Digitisation should be part of the solution and not part of the problem that we as humanity have to solve in

the next decade (see the chapter “Global e-Sustainability Initiative”). With this in mind, Swisscom specifically seeks and promotes sustainable applications of digitisation. For example, the IoT Climate Award, which was established in 2020, honours climate-friendly applications of digitisation. A new Swisscom website on digitisation and sustainability describes sustainable digital applications and highlights their contribution to the Sustainable Development Goals of Agenda 2030.

☉ See [www.digitalwithpurpose.gesi.org](http://www.digitalwithpurpose.gesi.org)

☉ See [www.swisscom.ch/sustainabledigitisation](http://www.swisscom.ch/sustainabledigitisation)



## Value chain

We generate the bulk of our added value through our activities in Switzerland. In the year under review, activities abroad contributed only 8% (previous year 8%) to the Group's added value from operations.

The statement of added value and the allocation of added value are addressed in the Management Commentary of the Annual Report, in the "Financial review" (see Annual Report, page 118).

Each year, suppliers deliver goods and services to us worth over CHF 4.4 billion. The importation has a positive and negative impact on the economy, society and the environment along the value and supply chains:

- Consumer and capital goods contribute to Switzerland's economic development, competitiveness and quality of life. But they have an impact on the climate and natural resources. We accept our responsibility

and are implementing a number of measures to make our supply chains ecologically sustainable (see the chapter "Environmentally friendly and climate-compatible supply chains").

- We create and maintain jobs in Switzerland as well as within the supply chain, thus creating added social and economic value. Together with our employees and partners, as well as in international industry initiatives, we are committed to making the social conditions in our supply chains sustainable (see the chapter "Fair supply chains").
- In order to provide our customers with services and products, we depend on raw materials from numerous countries and regions, the extraction of which is often associated with environmental and social risks. We are therefore particularly committed to better practices in the extraction of raw materials (see the chapter "Fair supply chains").

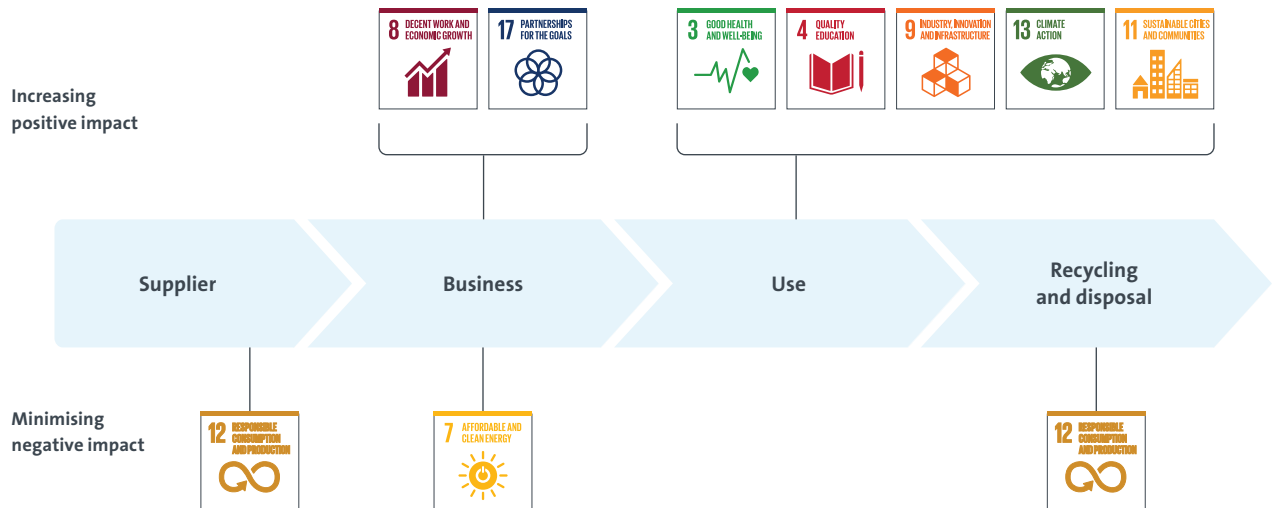
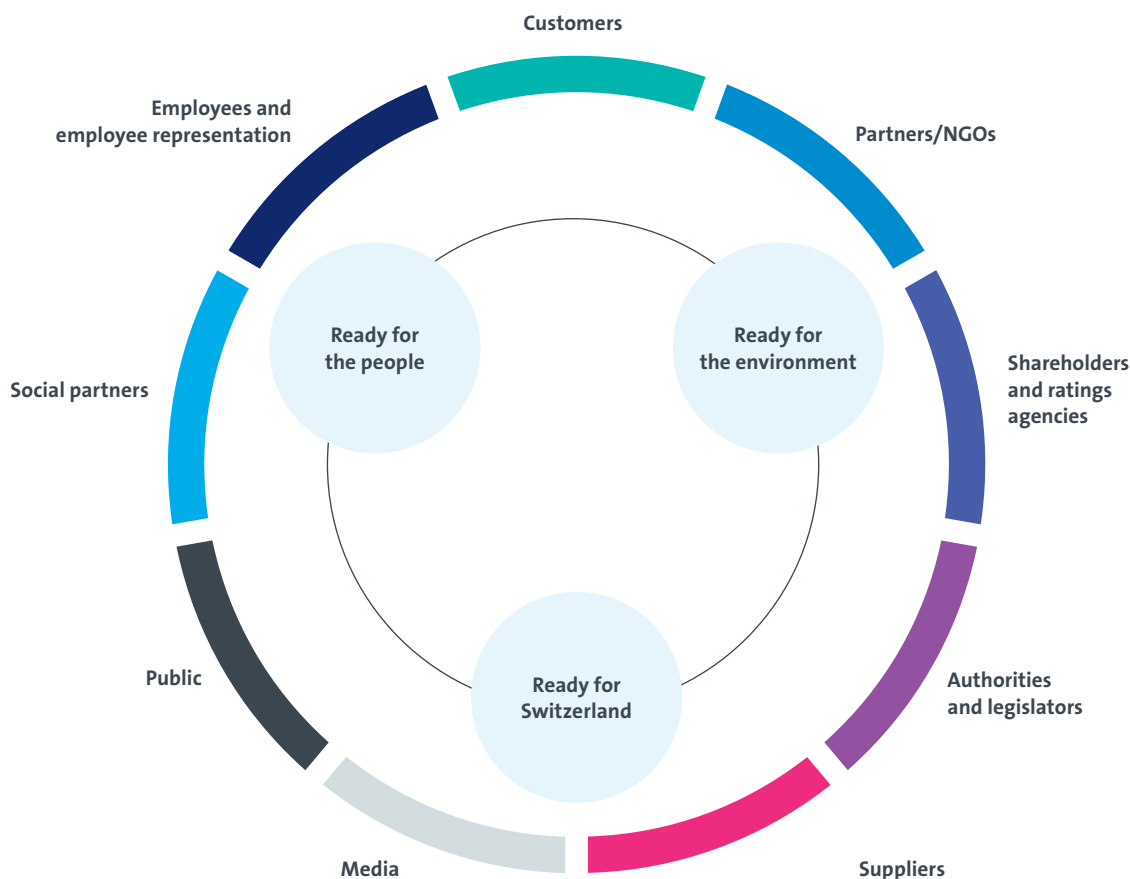


Figure SDGs on the value chain

## Group of stakeholders

As a national infrastructure provider, we have special ties with Switzerland. Our nationwide stakeholder groups such as customers, employees, investors, NGOs and authorities at all levels place high demands on Swisscom with regard to sustainability. We maintain

close relations with them. Depending on the depth of the relationship, the interests and the size of the groups, we individually tailor our dialogue and interaction with them.



Stakeholder environment

### Customers

We systematically consult private and business customers on their needs and their level of satisfaction. Customer Relationship Managers identify customer needs in direct contact. We also conduct 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. In addition, we conduct targeted qualitative and representative surveys on sustainability issues. In the reporting year 2020, surveys were conducted on the topics second life, climate-neutral services and sustainable packaging. The surveys reveal what customers expect from us and for what reason: we discovered they want us to offer second-hand mobile phones because of the lower price and increased consumer awareness. They have also spoken out clearly in favour of less plastic packaging and want us to support them even more in climate-friendly, sustainable consumption.

### Partners/NGOs

We believe 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, SOS Kinderdorf (Children's Village) and organisations that address the special needs of individual groups (e.g. people with a sensory impairment). These partnerships and our social and ecological commitment are especially relevant for our stakeholder group.

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### Investors and rating agencies

Besides the Annual General Meeting, we regularly foster dialogue with our investors at analysts' presentations, roadshows and in teleconferences. Over the years, we have also built up contacts with numerous external investors and rating agencies. Above all else, institutional shareholders and external investors expect stability, profitability and predictability from us. In the year

under review, we became the first listed Swiss company to successfully issue a EUR 500 million green bond. Investors are attaching greater importance to sustainable investment opportunities. By issuing a green bond, we are meeting this need and tapping into a new investor segment. As in previous years, we were listed in several ratings among the world's most sustainable telecommunications companies.

### Public authorities and legislators

We engage in intensive exchanges with various authorities at national, cantonal and municipal level. One of the key issues is the expansion of the network infrastructure: mobile data applications are becoming increasingly popular with customers, while at the same time the expansion of the necessary infrastructure is not always met with the desired acceptance. At present, this is particularly evident in connection with the expansion of the 5G network (See the chapter "Mobile telephony and society").

Network expansion can also be a subject of dispute owing to the different interests at stake. We have therefore been conducting a dialogue with municipal authorities and local residents on network planning for many years (See the chapter "Advice and information on wireless technologies"). Where construction projects are concerned, it gives the parties affected an opportunity to suggest suitable alternative locations. We also maintain a regular exchange with the relevant authorities, in particular with the cantonal economics, construction and environmental departments. We seek regular dialogue with the authorities, political parties, associations and NGOs on political and regulatory issues and play a constructive role in the legislative process (see the chapter "Actor in public debates").

### Suppliers

Our procurement organisations regularly address issues concerning suppliers and supplier relationship management. analysing the results of evaluations, formulating target agreements and reviewing performance. In the interests of maintaining dialogue with global suppliers, we also rely on international cooperation within the relevant sectors (see the chapter "Fair supply chains").

### Media

We maintains close contact with the media and are available to them at all times. Swisscom's relationship with the media is based on professional journalistic principles. In addition to the Media Office, management also maintains regular dialogue with journalists and make themselves available for interviews and more in-depth background discussions.

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### Public

We maintain contact with the public directly via our 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, we promote a corporate culture that encourages dialogue between employees. The CEO and top management travel across Switzerland several times a year to meet with staff locally. This year the meetings have taken place online due to the coronavirus. 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 all employees and teams as well as the entire organisation to respond to feedback and make improvements.

Helping to shape our future is one of the most important tasks of the Employee Representation Committee by representing the collective concerns of the employees. This committee comprises 48 members (one representative for every 400 employees) distributed across seven representation committees. Twice a year, we organise 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 (see the chapter "Employees").

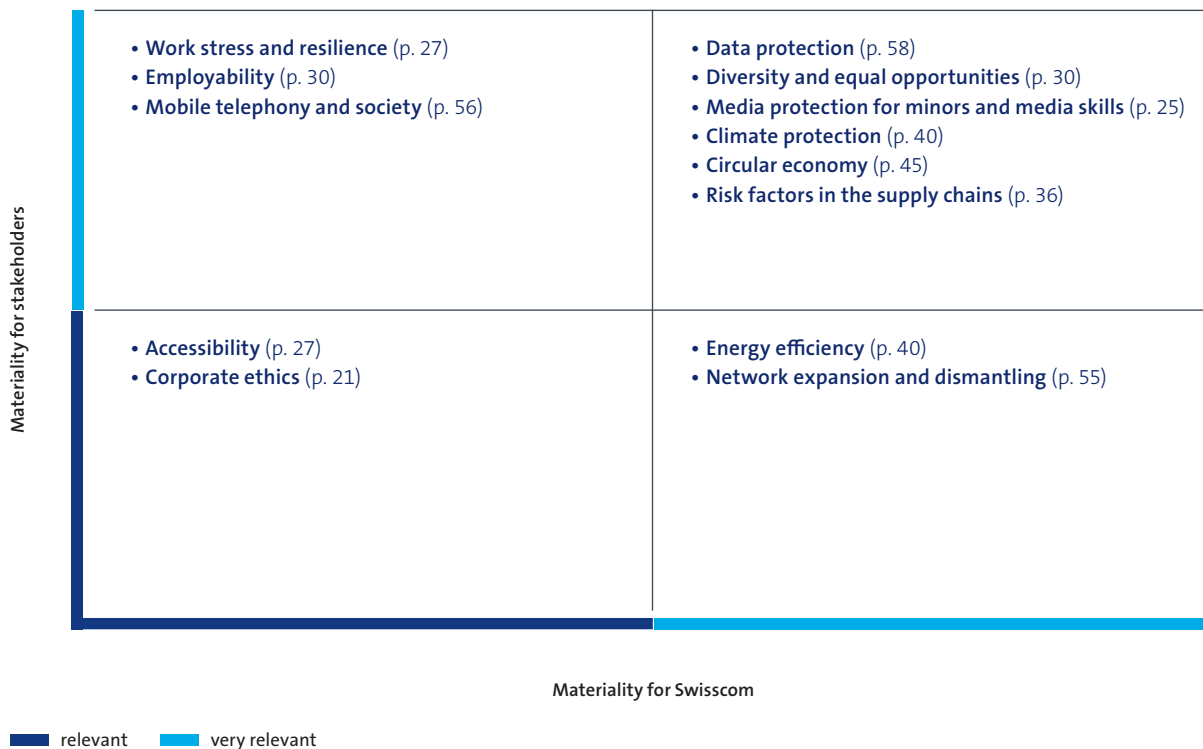
### Social partners

Regular contact with our social partners is particularly important to us. 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.

## Material issues

Our activities have an impact on our social, ecological and economic environment. At the same time, our company is shaped by this environment and our stakeholders. Every year, we identify the sustainability issues in this network of relationships that are currently considered relevant or even particularly relevant for our stakeholders and for us.

We involve the interest groups in this process. This approach ensures that the strategic focus of our work for us, our stakeholders and our environment is consistent and in line with current developments. For each major topic, we also prepare a management approach, which we include in the relevant chapter of this report.



Materiality matrix 2020

In 2020, we modified and fleshed out the materiality matrix in line with the responses from the stakeholder surveys and based on the findings of the 2020 benchmarking with ten national and international telecommunications companies.

The increasing importance of expansion plans relating to the new 5G generation of mobile communications in society and with the regulator has had a twofold effect on our materiality matrix: we have moved the topic of mobile communications and society accordingly to the top left-hand quadrant and the topic of network expansion to the quadrants of topics that are highly relevant to us. We have also extended the latter's designation to include network expansion and decommissioning, as we would like to place more emphasis on the decommissioning activities associated with the network strategy, especially the conventional analogue fixed network.

The topic of recycling management is now in the quadrant of very relevant topics. This upgrading resulted from benchmarking and many significant regulatory developments. The topic of accessibility, on the other

hand, was discussed somewhat less intensively in the year under review and we therefore shifted it to the relevant topics quadrant.

Furthermore, in the year under review terminology of the main topics was again simplified and topic-related terminology was consolidated. Media competence and the protection of minors in the media were combined and all topics relating to climate protection were subsumed under one term.

### Materiality classification

To determine the materiality of the individual sustainability topics, we are applying the following quality criteria:

- Significance and relevance for our stakeholder groups
- Importance in our norms and standards (Vision, Values, Promise, Code of Conduct)
- Impact of our activities on the subject area
- Effects on our financial position, results of operations and reputation

## Stakeholder involvement

We involve our stakeholders in the identification of key issues and the planning of strategic priorities.

### Internal analysis

- **Group Executive Board:** members of the Group Executive Board comment on the status of implementation of sustainability management during the meetings held two to three times a year and in qualitative interviews on the challenges.
- **Internal contact persons:** line managers at all levels responded to questions about the anchoring of the current strategy and their expectations. This survey takes place every two years, most recently in 2018.
- **Corporate Responsibility Team:** the corporate responsibility 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 we will face in the future will be climate protection, ethical corporate management and the responsible handling of data.

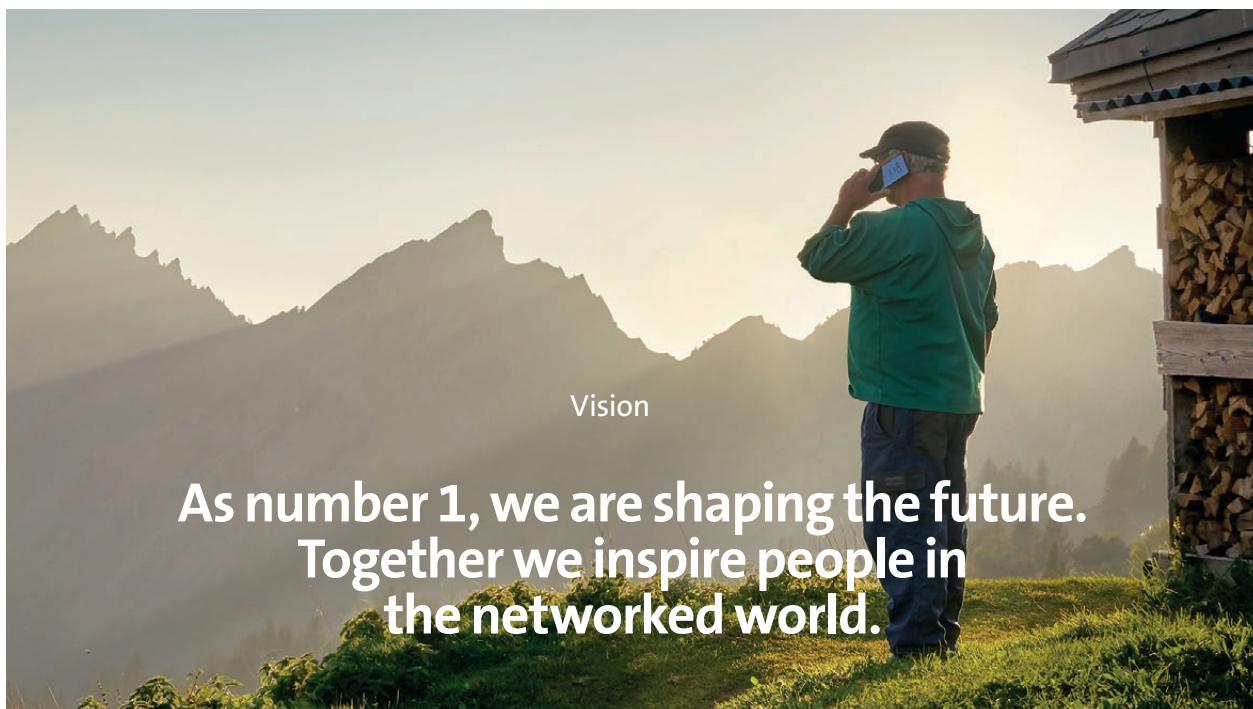
### External analysis

Results from external stakeholder surveys are also included in the assessment. The selection of the stakeholders to be considered is made based on the themes relevant to the Sustainability Strategy. They have to be active in the core Swiss market. We take up their concerns directly. In order to ensure the proximity to and continuous contact with the individual stakeholder groups, we set up our stakeholder group management as follows.

- **Benchmarking:** in spring 2020, we commissioned a benchmarking exercise with ten telecommunications companies that are leaders in the field of sustainability. The aim was to identify best practices in these areas and thus to identify topic setting, priorities,

depth of transparency, as well as topic areas and trends. The findings of the benchmarking and the resulting recommendations were presented to the Group Executive Board: among other things, transparency on governance in the field of corporate ethics is to be addressed. For this reason, a sustainability target was added to the Group Executive Board's incentive scheme.

- **Stakeholder survey:** in the summer of 2020, we conducted a stakeholder survey in which we aligned ourselves with the overarching strategic Sustainable Development Goals. Furthermore, the results of the stakeholder survey are passed on to division management and the Group Executive Board. A total of 20 stakeholders took part in the survey. Most of the feedback confirmed that we are working on the right sustainability issues and that our market position gives us a great deal of responsibility and a role model function. Slight deviations from the previous years could be observed in infrastructure issues: the dialogue on the expansion and dismantling of network infrastructure as well as on the effects of the new 5G mobile phone generation (especially its non-ionising radiation and its effects on the climate) gained in importance. In addition, the survey confirmed the findings of the previous surveys, particularly with regard to the opportunities and risks of digitisation and the infrastructure required to implement it. Stakeholders expect us to play an active role in this regard. Interest groups raise ethical questions and demand faultless conduct.
- **Trend scouting:** we did not carry out any trend scouting in the year under review. Instead, the observation and assessment of relevant trends was carried out with the persons responsible for Group strategy. Certain trends could be identified from the benchmarking exercise mentioned above.



Vision

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

Values

**Trustworthy**

We are close to our customers and staff and act in a responsible and reliable manner.

**Committed**

We pursue our goals with passion and we focus on what's important.

**Curious**

We are continually developing and always grasp new opportunities.

© See [www.swisscom.ch/strategy](http://www.swisscom.ch/strategy)

# Sustainability Strategy

As Switzerland's leading ICT company, we bear a special responsibility in this respect. We want to take advantage of the opportunities offered by the digital transformation for the country's prosperity, but we also want to minimise possible risks and thus be part of shaping the future. We do this by promoting the digital skills of people in Switzerland and supporting fair supply chains, protecting the climate and building and maintaining a reliable, high-performance ICT infrastructure. To be successful, we have set ourselves ambitious goals in the three strategic fields of action "Ready for People", "Ready for the Environment" and "Ready for Switzerland". These objectives are an integral part of our corporate strategy and contribute to the 17 Sustainable Development Goals of the United Nations.



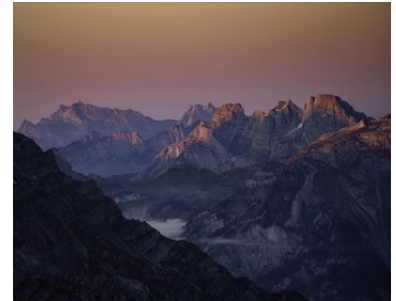
## Ready for people

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.



## Ready for the environment

Together with our customers, we are reducing net CO<sub>2</sub> output by 500,000 tonnes. This corresponds to 1% of Switzerland's greenhouse gas emissions.



## Ready 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](http://www.swisscom.ch/sustainability)

## Ready for more sustainability – our Sustainability Strategy 2025

We are ready to strive for more sustainability for Switzerland, the environment and the people, and are tackling three fundamental challenges head-on:

- **People in the networked world:** whether children, senior citizens, working people or those returning to work, we all must keep pace with the demands of the digital world.
- **Climate protection:** heat, drought, melting glaciers, extreme rainfall – climate change is giving us a taste of what lies ahead in the coming decades.
- **Competitiveness and attractive locations:** thanks to a constantly high level of commitment and investment, we live in one of the countries with the highest competitiveness and quality of life.

While technologies advance at great speed, people's skills do not simply change without help. People nowadays face digital challenges in almost all areas of life. That's why we want to hone the digital skills of people living in a networked world. We create attractive jobs for our employees within our company. In addition, we exert our influence to promote fair working conditions with our suppliers, the majority of whom are located outside Europe.

Climate change is on people's minds. Digitisation brings with it promising opportunities that will have immediate impact. Given the urgency of the climate challenge, the digital levers for climate protection must be used with resolve.

A reliable, secure ICT infrastructure is fundamental to competitiveness, value creation and quality of life in Switzerland. It ensures prosperity and social cohesion.

We are meeting these challenges with three strategic areas of action and objectives that have been defined accordingly:

### Ready for people

We enable people in Switzerland to make use of the opportunities presented by a networked world. By 2025 at the latest, we will be helping two million people per year to use digital media and have improved working conditions for employees in our supply chain. New educational opportunities for schools, the people, SMEs and our employees bring us closer to this goal. Our teams in the call centres and shops are available to answer our customers' questions. We ensure safe and fair working conditions in the supply chain.

The "Ready for People" area of action also includes our commitment to barrier-free access to our services. It also stands for our commitment as a responsible employer, for example in the training of apprentices, further train-

ing of our employees and programmes for health, internal networking and volunteer work.

### Ready for the environment

We care about the environment. We have set ourselves ambitious climate protection targets to help limit the global temperature increase to 1.5 degrees. Together with our customers, we want to reduce CO<sub>2</sub> emissions by a net 500,000 tonnes of CO<sub>2</sub> in 2025. This corresponds to one per cent of Switzerland's greenhouse gas emissions. At the same time, we want to bring carbon emissions from our operations and our supply chains down to a total of 300,000 tonnes. Our digital Swisscom products also enable customers to save at least 800,000 tonnes of CO<sub>2</sub>.

We have adjusted these targets slightly from those set in 2018: since CO<sub>2</sub> emissions from operations and the supply chain decreased faster than expected, we have toughened our original target of 400,000 tonnes of CO<sub>2</sub> to 300,000 tonnes. In terms of carbon reductions, we have adjusted the target of 850,000 tonnes of CO<sub>2</sub> by 50,000 tonnes. To achieve the net target reduction of around 1% of Swiss CO<sub>2</sub> emissions in 2025, a figure of 500,000 tonnes of CO<sub>2</sub> is required instead of the 450,000 tonnes previously targeted.

We use 100% electricity from renewable sources. We are now also offsetting all our Scope 1 and Scope 2 CO<sub>2</sub> emissions as well some of our Scope 3 emissions, meaning that we have been a "climate-neutral company" with the myclimate label since August 2020.

We have established a comprehensive energy management programme to implement our climate protection targets. We systematically maximise energy efficiency in our operations and supply chains. We develop and promote visionary services and products that enable people in Switzerland to lead a more climate-friendly lifestyle. This includes technical solutions for location-independent working and services supported by IoT (Internet of Things) for the optimisation and remote monitoring of traffic, building technology and devices. And finally, we use resources sparingly and contribute in an innovative way to the conversion to a circular economy.

### Ready for Switzerland

We use the best networks and progressive solutions to create added value for our customers, employees, shareholders and suppliers, as well as for Switzerland as a whole. We provide individuals and businesses nationwide with reliable ultra-fast broadband. All schools in the country have free access to the Internet. In this way we strengthen the competitiveness, digital fitness and quality of life in the country.

The "Ready for Switzerland" area of action also includes important services for sensitive areas such as health-care, data protection or regulatory issues.



## Swisscom's contribution to the SDGs

Our Sustainability Strategy is an integral part of our corporate strategy (see chapter on “Corporate strategy” in the Annual Report). With this strategy we are making a contribution towards the 17 Sustainable Development Goals of the United Nations.

SDG	Swisscom's contribution to the SDGs	Further information
	Promote the health of the population with offers in the area of health care.	<ul style="list-style-type: none"> <li>Offerings in the healthcare sector</li> </ul> <b>Target:</b> Ready for people, Work stress and resilience
	Promote the health of Swisscom employees through occupational health management as well as occupational health and safety.	<ul style="list-style-type: none"> <li>Occupational health and safety</li> </ul> <b>Target:</b> Ready for people, Diversity and Work stress and resilience
	Promote the populations' media skills.	<ul style="list-style-type: none"> <li>Media protection for minors and promoting media skills</li> </ul> <b>Target:</b> Ready for people, By 2025, Swisscom will enable annually 2 million people to improve their digital skills
	Contribution to the educational landscape in Switzerland by providing broadband Internet access for schools.	<ul style="list-style-type: none"> <li>Responsibility towards society; education policy</li> </ul>
	As a contribution to diversity and equality, the goal is to increase the proportion of women in management.	<ul style="list-style-type: none"> <li>Diversity and equal opportunities</li> </ul> <b>Target:</b> Ready for people, diversity
	Contribution to cheaper and cleaner energy with the offer tiko power, tiko Storage and virtual power plant in the sustainable portfolio.	<ul style="list-style-type: none"> <li>For private customers: smart energy with tiko</li> <li>Climate protection solutions for our customers</li> </ul>
	Swisscom makes its contribution through measures to boost energy efficiency and climate protection within the framework of the sustainability strategy.	<ul style="list-style-type: none"> <li>Energy efficiency and climate protection</li> </ul>
	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 chains.	<ul style="list-style-type: none"> <li>Recruiting and developing employees</li> <li>Ready for Switzerland</li> <li>Fair supply chain</li> </ul> <b>Target:</b> Ready for people, Fair supply chains, More for Switzerland, Coverage of Switzerland with fixed ultra-fast broadband
	Expansion of the network infrastructure and the sustainable portfolio. Participation in building up the CO <sub>2</sub> sensor network “Carbosense”.	<ul style="list-style-type: none"> <li>Ready for Switzerland</li> <li>Basic service provision</li> <li>Climate protection through customers and portfolio</li> </ul> <b>Target:</b> Ready for Switzerland, Coverage of Switzerland with fixed ultra-fast broadband
	Expansion of the portfolio for sustainable services, especially in the area of IoT and Smart City.	<ul style="list-style-type: none"> <li>Climate protection solutions for our customers</li> </ul>
	By expanding the sustainable portfolio and with initiatives to take back and recycle end devices, Swisscom is making its contribution.	<ul style="list-style-type: none"> <li>Climate protection solutions for our customers</li> <li>Circular economy in practice</li> </ul>
	Expansion of the portfolio of sustainable services for reducing CO <sub>2</sub> .	<ul style="list-style-type: none"> <li>CO<sub>2</sub> savings due to ICT services</li> </ul> <b>Target:</b> Ready for the environment, Reduction of CO <sub>2</sub> emissions by 500,000 tonnes by 2025
	Swisscom makes its contribution through measures to boost energy efficiency and climate protection within the framework of the sustainability strategy.	<ul style="list-style-type: none"> <li>Energy efficiency and climate protection</li> </ul> <b>Target:</b> Ready for the environment, Reduction of CO <sub>2</sub> emissions by 500,000 tonnes by 2025

## Targets Table

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

Focus of the sustainability strategy	Value 2020	2025 target	Target 2021
<b>Ready for people</b>			
<b>Main objective: by 2025 at the latest, we will be helping 2 million people per year to use digital media and have improved working conditions for employees in our supply chain</b>		2,000,000	
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).			
<b>KPI: Promoting media skills</b>	226,996	350,000	247,425
<b>KPI: Training media use</b>	822,990	1,273,000	897,727
<b>KPI: Technical measures</b>	102,444	158,000	111,664
<b>KPI: Digital shift</b>	153,693	230,000	162,465
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Launch of elective on the topic of e-sports.</li> <li>• CR-related topics as training content.</li> <li>• Aftersales measure: youth media protection tips for parents.</li> <li>• Offers for teachers and SMEs: use of digital collaboration systems (Microsoft (R) M365 et al.).</li> </ul>			
<b>Fair supply chains</b>			
Number of audits times number of employees in the audited factories. JAC = Joint Audit Cooperation.			
<b>KPI: Number of employees working for suppliers in the audited factories</b>	128,590		150,000
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Implementation of JAC Audit Campaign (onsite audits and mobile surveys)</li> <li>• Focus task forces (climate change, circular economy and forced labour) and expansion of the JAC Academy + awards programme</li> </ul>			
<b>Diversity (GRI 405-1, SDG 5, 8)</b>			
Increasing the diversity of employees, measured by gender distribution, age mix, inclusion, origin and language			
<b>KPI: Proportion of women in management and in the top CEA levels.</b> Decision: increase of 1 percentage points annually	15.8%		16.8%
<b>KPI: Percentage of employees with health impairments (inclusion).</b>	1.06%		1.0%
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Promotion of flexible working models for women and men to be pursued further</li> <li>• Promotion of diversity with additional, business unit-specific measures</li> </ul>			
<b>Work stress and resilience (GRI 403-1, SDG 3)</b>			
Maintain or reduce absenteeism rate compared to the previous year.			
<b>KPI: Absences in days/target days (weighted by FTE) x 100</b> Target days are based on the standard working hours	2.60%		2.8%
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Continuation of 2020 measures: focus topic: mental health with the "Mental Health First Aid" trainer and "Stress &amp; Resilience" trainer training sessions, plus leadership training in presence management and controlling using a "seismograph" approach</li> <li>• Expansion of offering, increasingly provided via online channel (not time or location-dependent) to extend reach</li> </ul>			

Focus of the sustainability strategy	Value 2020	2025 target	Target 2021
<b>Ready for the environment</b>			
<b>Main objective: reduction of CO<sub>2</sub> emissions by 500,000 tonnes by 2025 (GRI 305-5, SDG 7)</b>		500,000	
Together with customers, CO <sub>2</sub> emissions are to be reduced by 500,000 tonnes. This corresponds to 1% of Switzerland's greenhouse gas emissions.			
<b>Limit CO<sub>2</sub> emissions from operations and in the supply chain to 300,000 tonnes by 2025.</b>		300,000	
Reduction of own emissions and those of the supply chain (Scope 1, 2 and 3).			
<b>KPI: CO<sub>2</sub> emissions Scope 1 (buildings and vehicles, without refrigerants)</b>	14,420		14,000
<b>KPI: CO<sub>2</sub> emissions Scope 2 (electricity, district heating, compensated)</b>	0		0
<b>KPI: CO<sub>2</sub> emissions Scope 3 (supply chain, employee mobility, etc.)</b>	300,779		333,000
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Refurbishment of buildings and heating systems, replacement of fossil fuel-burning heating systems with heat pumps.</li> <li>• Electrification of the vehicle fleet and use of hybrid drives.</li> <li>• Promotion of supplier participation in the Carbon Disclosure Project (CDP), dialogue with individual suppliers.</li> </ul>			
<b>Climate protection solutions for our customers</b>		800,000	
Savings through the portfolio with the help of customers and services. Promotion and development of services that enable people in Switzerland to lead a more climate-friendly lifestyle.			
<b>KPI: CO<sub>2</sub> savings in tonnes</b>	895,092		640,000
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Reduction of traffic through the promotion of homeworking and virtual conferences.</li> <li>• Reduction of traffic through the promotion of remote maintenance and operation using sensor (IoT solutions).</li> <li>• Promotion of energy-efficient cloud-based solutions.</li> </ul>			
<b>Ready for Switzerland</b>			
<b>Main objective: coverage of Switzerland with fixed ultra-broadband as a prerequisite for Switzerland's competitiveness.</b>			
Increased bandwidths through modernisation of the existing network and the expansion of fibre optic coverage to homes and businesses (FTTH).			
<b>KPI: 30-40% coverage of fixed-line apartments and shops with ultra-broadband between 300-500 Mbps by modernising the existing network. Base 5.3 million apartments and shops Switzerland (Swisscom Inventory).</b>	42.6%	30-40%	-
<b>KPI: 50-60% coverage of apartments and shops with ultra-broadband of 10 Gbps by upgrading fiber optics (FTTH). Base 5.3 million apartments and shops Switzerland (Swisscom inventory).</b>	32.1%	50-60%	-
<b>2021 measures:</b>			
<ul style="list-style-type: none"> <li>• Continuous expansion and modernisation of the existing network.</li> </ul>			

## Governance

### Strategic goals of the Federal Council

The Federal Council defines the goals which the Confederation as our principal shareholder aims to achieve in the next four years. During the current target period, to 2021, it expects us 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](http://www.swisscom.ch/ziele_2018-2021) (in German)

### Incorporation in the Group strategy

Our Board of Directors is committed to pursuing a strategy geared towards sustainability. It addresses the relevant economic, environmental and social issues. The implementation of the Group strategy is delegated to the CEO, who can transfer tasks and competences to subordinate units and is supported in operational management by members of the Group Executive Board.

Our Group Communications & Responsibility (GCR) division is responsible for the creation and implementation of the sustainability strategy. It is also responsible for taking the goals of the 2030 Agenda into account and therefore also for Swisscom's sustainable development.

☺ See [www.swisscom.ch/basicprinciples](http://www.swisscom.ch/basicprinciples)

### Responsibility of the Group Executive Board

Our Group Executive Board approved the main goals for the company and goals per division as part of the Sustainability Strategy 2025. Since then it has convened at least twice a year to discuss the further development and implementation of the sustainability strategy. Every November, it reviews the past year and approves the guide values and planned measures for the coming year (see "targets table").

Group Communications & Responsibility and the divisions jointly prepare the implementation, which is then adopted by the division managers 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 also sponsors for the strategic action areas that are aligned with their core tasks.

Our environmental target of reducing CO<sub>2</sub> emissions by a net 500,000 tonnes together with our customers has now been embedded in our incentive scheme. The Board of Directors has approved the target revised by the Group Executive Board. From 2021 onwards, a sustaina-

bility target will therefore become part of the incentives for the Group Executive Board.

The responsibilities and associated guide values were adopted in the Sustainability Strategy 2025 and confirmed at the end of 2020:

- **Overall management:** Head of Group Communications & Responsibility
- **Ready for people:** Head of Residential Customers, Head of Group Communications & Responsibility (media courses & Swisscom Academy), Head of Group Human Resources (employees incl. apprentices), Head of Group Business Steering, CFO (supply chains)
- **Ready 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)
- **Ready for Switzerland:** Head of IT, Network & Infrastructure
- **Ready for our image:** Head of Residential Customers, Head of Group Communications & Responsibility

This is how we ensure that the action areas 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 guide values 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

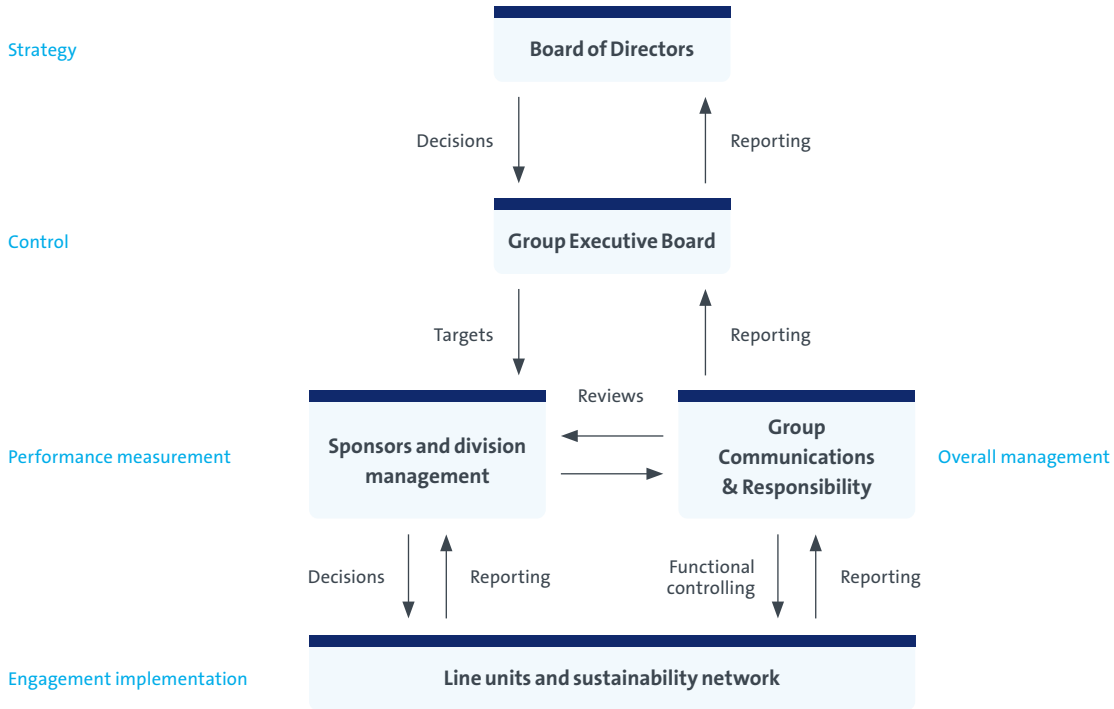
The Board of Directors approves the goals and principles of the Group's corporate policy. Sustainable business management is part of our corporate policy. The Board of Directors acknowledges the long-term sustainability strategy. It contains the strategic action areas and long-term sustainability goals, their scope and the corresponding governance. At the end of every year, the Board of Directors also acknowledges the guide values for the following year. It is informed in writing in half-yearly reports on the implementation status of the sustainability strategy.

In December 2020, the Board of Directors acknowledged the 2021 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 during the year for all members of the sustainability network. The

purpose of these sustainability community occasions, supplemented during the year under review with themed Green Lunches, is to exchange information and explore new issues. In the year under review, we could not hold any events due to the Covid-19 pandemic. The Green Lunches took place virtually.



Sustainability governance structure

### Corporate ethics

Our actions have been based on ethical principles for years. With this approach we meet our responsibility to all stakeholders – but also to ourselves. Not only have public and stakeholder expectations of the business community increased sharply, but we ourselves are also increasingly demanding that we act responsibly and with integrity.

We endeavour to act in a way that does not lead to any disadvantages for customers, employees, the economy, the environment, society or the company itself. As our main shareholder, the Confederation expects us to pursue a corporate strategy that, to the extent economically possible, lives up to sustainable and ethical principles. We are committed to transparency and open dialogue with the public and encourage our employees to reflect constantly on whether their professional decisions and actions are in line with the norms and values of the company and society. After all, we can only be economically successful if we maintain constant dia-

logue with our stakeholders and can convince them with responsible actions based on ethical principles.

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

We meet these demands through our commitment to the environment, society and the economy. In the analogue as well as the digital worlds, our ethical standards take equal account of the needs of Swisscom and our stakeholders. We are aware that this results in conflicting objectives. We therefore actively address these and strive to collaborate to identify solutions that accord with our corporate culture.

Responsible and ethical actions affect the entire company. We trust our employees and appreciate the fact that they act responsibly in their day-to-day work in keeping with our values. Management sets an example. The Head of Group Communications & Responsibility is also the person responsible for Swisscom’s ethics. He deals with ethical issues and impact assessments relating to our business activities, and raises staff awareness. The person responsi-

ble for ethics also presides over the Data Ethics Board, which meets to discuss data projects and makes recommendations for projects and management.

The Sustainability Strategy 2025 creates added value for society, the economy, the environment and the entire company. It stands for a brand of entrepreneurship where ethical and economic concerns are given equal consideration. With our sustainability strategy, we therefore examine projects and engagements not only for their profitability, but also for their long-term impact on the environment and society, and thus for compliance with sustainability standards.

We are committed to the following rules and code of practice:

- **Code of Conduct:** taking responsibility, complying with rules, being honest and reporting violations – with these four principles 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 the Group companies.

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

- **Corporate governance:** transparency and clear responsibilities characterise responsible corporate governance at Swisscom. Sustainability governance defines the rules in accordance with which the line units and the sustainability network make decisions, oversee and report (see “Governance”).

☉ 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:** we have set up a 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 Board consists of representatives from HR, Customer Care, Data Analytics and Mobile Solutions for Business Customers. In the year under review, the Board met twice to review current cases according to ethical criteria. This number may seem small. However, Swisscom generally has few cases that raise ethical questions. Our business models and services are fundamentally not data-based. And data ethics principles are already being taken into consideration by development teams. This leaves very few complex cases for the Data Ethics Board to look at in depth.

- **Transparency and dialogue:** we value and seek contact with the public. We maintain open dialogue with interested stakeholder groups on specific topics relat-

ing to our 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 us as a company. We are aware of the trust our customers place in us when it comes to the handling of data. That is why we have set up a data governance procedure. This formulates measures and processes to systematically establish and promote a responsible data culture. The aim is to ensure that Swisscom processes data in a legally compliant and legitimate manner. This is also an example of how we are involving ourselves in the socio-political discourse surrounding the public availability of data (see “Data protection”).

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

- **Code of Conduct for Procurement:** with our Code of Conduct for Procurement, we set binding rules: for us and our conduct as one of the largest buyers in Switzerland, but also for our supply partners, for whom we set high standards in terms of operating efficiency and innovation, but also in respect of social and ecological matters.

☉ See [www.swisscom.ch/codeofconduct](http://www.swisscom.ch/codeofconduct)

- **Corporate Responsibility Contract Annex:** the Code of Conduct for Procurement sets out the principles and procedures to be followed by the procurement organisations. It stipulates the requirements that suppliers accept by signing the CR Contract Annex (CRCA). We use a structured risk management system to review compliance with these requirements. This system was introduced in the purchasing organisation in 2015 and has since been expanded in terms of its concept. It covers all the risk areas of the supply chain.

## Management approaches within the Group

### The Group’s precautionary principle

We work in a sustainable manner, in accordance with our visions and values. We use established management systems and approaches to reduce ecological, economic and social risks. Group targets and directives ensure that sustainability is taken into account in operations and projects. In addition to the management systems put in place, training employees and raising their awareness is an important part of our precautionary principle.

Our 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

We have 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) (see “ONIR limits”). Preventive measures are taken as part of our operational risk and safety management system (see “Risk 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). Our CMS covers all divisions and is based on the following elements:

- **Culture:** the compliance culture is the basis for an effective CMS and as a code of conduct it 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:** we take account of our business activities as well as regulatory and legal requirements to determine compliance risks. We assess these risks periodically and also in the event of new business activities or changes to the legal framework, and respond to these risks through appropriate measures.
- **Organisation:** the Board of Directors defines minimum compliance tasks. The Group Executive Board then determines further tasks and responsibilities. In so doing, they provide the resources required for an effective CMS.
- **Communication:** employees are informed of their tasks, competences and responsibilities as well as the measures in the individual compliance areas. Each year, a report is sent to the Board of Directors and the Group Executive Board of Swisscom Ltd, as well as to the management boards and boards of directors of the subsidiaries and other internal units.
- **Monitoring and improvements:** we monitor the CMS and eliminate any weaknesses on an ongoing basis.

The CMS 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)

© See [www.swisscom.com/basicprinciples](http://www.swisscom.com/basicprinciples)

To safeguard trade secrets, Swisscom does not publish any compliance reports. A brief description is provided in the GRI Index of this Sustainability Report.

## Responsible marketing

Our marketing is aligned with our visions and values as well as the principles of the Swiss Commission for Fairness in Advertising (Schweizerische Lauterkeitskommission). Group Communications & Responsibility informs our marketing units about any further development of the principles. The communicating units are themselves responsible for ensuring that the principles are adhered to since they are best placed to recognise any breaches of compliance at an early stage and can take preventive action.

In our dealings and dialogue with customers, we recognise the fact that customers, regardless of age and gender, respond individually to this ever increasingly networked and digitised world. This approach ensures that we can support them in the digital world without discrimination and according to their own personal level of knowledge.

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

© See [www.faire-werbung.ch](http://www.faire-werbung.ch)

## The protection of human rights within the Swisscom Group and throughout the supply chains

The protection of human rights is an integral part of our corporate culture. We are guided here by the UN Guiding Principles on Business and Human Rights, the SA8000 standard of Social Accountability International (SAI) and the company’s procurement guidelines. By rigorously upholding our own guidelines on human rights, we implement the UN Guiding Principles on Business and Human Rights and the National Action Plan for Business and Human Rights (see “Fair supply chains”).

© See [www.swisscom.ch/humanrights](http://www.swisscom.ch/humanrights)

## Practices in relation to copyright laws

Copyright is governed by the collective employment agreement. Employees assign to Swisscom any copyright, associated protective rights (in particular rights to software) and all shared rights relating to their accomplishments 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 the employee by contract.

When using free and open source software (FOSS) to develop software, we protect the copyright of third par-

ties by adhering to the required FOSS licensing terms. Its use is regulated in the existing Group directives. For Swisscom software launched on third-party markets, FOSS licence compliance must be checked and verified by the internal FOSS Compliance Service explicitly.

### Swisscom security

We make the networked world more secure by placing the needs of our employees, customers and partners at the heart of all our security considerations. By combining professional security services, skills, processes and tools, we offer highly effective security and thus the best possible protection for our company and our stakeholders. Security is guaranteed at all times by clear and simple measures as well as by a modern infrastructure and competent specialists. With training and awareness campaigns on current security issues, we contribute to a security culture and thus help to ensure that employees always behave in a security-conscious manner as a matter of course.

Advancing digitisation and growing dynamism mean that security is becoming more and more important. We

use the issue of security to further differentiate our brand from those of competitors and to open up new growth areas. For that reason, we offer our customers security solutions, products and services that are as progressive as possible.

☺ See [www.swisscom.ch/dataprotection](https://www.swisscom.ch/dataprotection)

### Fraud management

We actively minimise fraud risks and thereby prevent losses by drawing on our own experiences (e.g. with customer fraud cases). 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 our reputation and increases customer confidence.



# Ready for people

We provide everyone in Switzerland with secure and barrier-free access to the digital world. By 2025 at the latest, we will be helping two million people to use digital media and have improved working conditions for employees in the supply chain. We pay particular attention to the sensible use of media by children and young people. We have developed a comprehensive range of training courses for this purpose. Our employees provide high-quality services. In return, we offer them attractive working conditions with flexible working models and numerous opportunities for further training and an appreciative environment. We promote diversity and combat all forms of discrimination. We are also committed to fair supply chains. Because the same principle applies here as there: healthy and motivated employees do a better job.

## Digitisation and competent media use

Our goal is for everyone in Switzerland to be able at all times to communicate in both the public and private spheres and to exploit the opportunities provided by digitisation. We see it as our duty to train users in the competent and safe use of digital media. We want to promote digitisation in Switzerland and thus enable the digital penetration of everyday life. In particular, we support children and young people in dealing competently with new opportunities. But we are also keen for the working population and senior citizens to recognise the opportunities that the information society holds for them.

### Management approach

Media users today are faced with a wide range of challenges. Different value systems create tensions. Young people experience media as a natural element of their everyday lives, and any limitations lead to conflicts. Adults tend to recognise time lost in online presence and try to keep their children away from digital media. Older people risk missing out on digitisation, although they too could simplify and enrich their everyday lives with the help of digital media.

We see ourselves as bearing some responsibility in this field of tension. We therefore do not turn a blind eye to the risks of inappropriate and excessive media consumption. For this reason, we decided at a very early stage not just to conscientiously fulfil the legal requirements in relation to children and young people, but also to adopt additional measures to establish sensible media use in Switzerland. The Confederation's strategy for a healthy and value-adding information society serves as a guideline for us.

Sustainability team members are responsible for youth media protection and media competence. When it comes to the former, we rely on technical measures such

as filters, clearly regulated processes in the advisory and sales process and the blocking of value-added services. To promote media competence, we adopt preventive measures such as targeted education, sensitisation and information for the various stakeholder groups. In addition, we are in regular dialogue with individual stakeholders from the family policy arena, schools and parents' organisations.

By 2025 at the latest, we will be helping two million people per year to use digital media and have improved working conditions for employees in our supply chain. The rapidly changing media landscape is leading to new challenges all the time – for children and young people as well as for grandparents, parents, teachers, people with disabilities, employees in our supply chain and other people involved. This is why we continuously adapt our measures to the new issues that arise. We measure the number of contacts made per measure in order to determine how effective the respective measures are.

### Media protection for minors and promoting media skills

We teach children and young people how to deal competently with new digital opportunities. To this end, we rely on various measures for young people (see "Education Sponsorship Charter") as well as for parents and teachers.

Swisscom's media courses are aimed at parents, teachers and students and highlight both the risks and the opportunities of digitisation.

© See [www.swisscom.ch/medienkurse](http://www.swisscom.ch/medienkurse) (in German, French and Italian)

The "media smart" platform is aimed at families. With its answers to questions about media consumption, the platform registered over 150,000 hits in 2020.

© See [www.swisscom.ch/getmediasmart](http://www.swisscom.ch/getmediasmart)

Through publications in the parents' magazine "Fritz und Fränzi", we raise awareness of issues relating to media education and literacy among various target groups. "Fritz und Fränzi" is one of the most successful magazines in Switzerland, and we reach over 58,240 readers every year.

With the JAMES study and the in-depth JAMESfocus reports, we carry out important basic research together with the Zurich University of Applied Sciences (ZHAW). The study surveys the leisure and media behaviour of young people aged 12 to 19 in Switzerland in a representative form across all language regions. In this year's study, the sixth of its kind, special attention is paid to the Covid-19 lockdown and its impact on media consumption by our youth.

☎ See [www.swisscom.ch/james](http://www.swisscom.ch/james)

We are available to a large number of stakeholders involved in youth media protection as a discussion partner and supporter. Of particular note 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. The courses are aimed at everyone in Switzerland, regardless of their telecommunications provider, and make an important contribution to narrowing the digital divide between the generations. They take place regularly at 16 locations.

In 2020, a total of 25,000 people attended training courses on how to use modern communications media. This means that since the launch of Swisscom's courses over 640,000 people have attended.

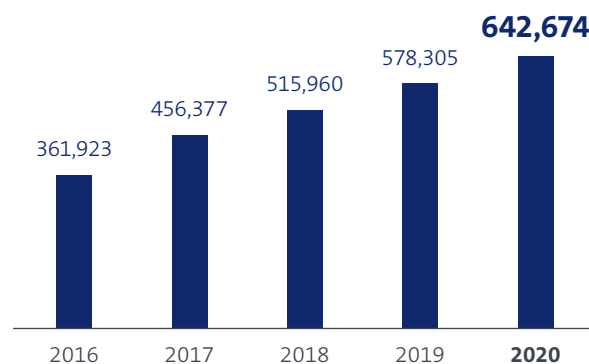
In 2020, we created an offering for SMEs. They too are being challenged greatly by the changes in the media and business world: Swisscom Academy trainers offer SME employees courses in the use of digital tools. We are also considering extending this offering to teachers in schools who would also like to benefit from the opportunities offered by digital collaboration.

Due to the Covid-19 pandemic, we had to close our course venues. We were able to offer a considerable portion of our course offering digitally. Participants attended their first online seminars as early as April. The offering was extremely popular: 19,500 participants used our online formats this year. Similarly, since the early summer of 2020, various offerings have also been available in digital form for schools. Since then, schools have been able to bring our media trainers into the classroom virtually with just a few clicks.

However, a limit to what was feasible also became apparent. Some of our customers were not convinced by this form of knowledge transfer and are sceptical about online training. We are motivated to provide help, support and education in this area as well.

## Swisscom Educational offers

Number of participants (cumulative)



### Responsible eSports

We launched our own eSports offering in 2018. Accompanying measures are needed to support competitive computer gaming in a responsible manner. The Code of Conduct of the Swiss Interactive Entertainment Association (SIEA), the information platforms at trade fairs, eSports events and eSports as an optional subject at primary schools are the main projects. In discussions at all Swisscom eSports events, media educators provide parents and other interested parties with competent advice on media education. In addition, they provide scientifically sound and committed assistance with forming opinions about gaming and eSports, and they supply informative materials. This enables children and young people to receive the best possible protection against the potentially negative effects of gaming and eSports.

Gaming is a complex area not only for parents, but also for schools: according to the JAMES studies of recent years, computer and mobile phone games are extremely popular leisure activities and pose particular challenges. For this reason, in the year under review, we developed a separate school subject on this topic together with experts from the fields of education, psychology and the world of 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. We were one of the first companies to sign this charter. We consider it important to act with due care in the sensitive area between the public sector and private business partners or sponsors. We hope to serve as a role model for other companies through the work we do. First and foremost, the Swisscom brand should serve to identify the sender and promote transparency. At no time do we use the entrusted data for marketing purposes, and we therefore refrain from any advertising measures in schools.

☺ See [www.swisscom.ch/sponsoring](http://www.swisscom.ch/sponsoring)

## Accessibility

### Management approach

For us, accessibility is not merely a legal or economic obligation. We see this above all as a service that we are proud to offer our customers. We attach great importance to accessibility for two reasons: firstly, as a matter of principle, we observe the national Law on Equal Rights for Persons with Disabilities (BehiG) and therefore comply with the recommendation of offering products without barriers. Secondly, everyone should be able to access all our products and services.

Our strategy is to start by making the most popular products and channels fully accessible. Given the large number of Swisscom products, services and communications channels, this concentrated approach makes sense.

In the future, various partners will evaluate the accessibility of our services such as contact services, our website or applications. For example, the evaluation of the latter will be carried out by the "Access for All" foundation. These evaluations will help us to meaningfully implement our strategy for improving accessibility and to ensure the effectiveness and sustainability of the measures.

### Barrier-free access to services

Swisscom shops and call centres meet strict requirements to enable barrier-free access for people with disabilities. We are continuously improving their accessibility. To this end, we collaborate with well-known associations and organisations such as the Vision Positive agency, the Swiss Association for the Deaf (SGB-FSS) and Procap. Shop and call centre staff are trained and given practical tools to identify the needs of customers with disabilities.

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. In addition, a service for translation into sign language is available for people with hearing impairments. This enables them to talk on the phone with hearing people. We offer this ser-

vice, which is also part of the basic service provision, free of charge in cooperation with the Procom foundation.

We make our website and applications accessible to people with disabilities. Here we are striving to achieve the AA level of the international Web Content Accessibility Guidelines (WCAG). We have already achieved good results with the My Swisscom customer centre and the My Swisscom application.

To promote the use of smartphones by visually impaired and blind people, we have also entered into a partnership with the Apfelschule. Customers concerned who take part in a course provided by this school receive a voucher from us worth CHF 50.

☺ See [www.swisscom.ch/accessibility](http://www.swisscom.ch/accessibility)

## Employees

We want to help shape the future and to make use of the opportunities presented by a networked world. Whenever a customer comes across Swisscom, they should find us to be trustworthy, committed and curious. Accordingly, motivated, competent and dedicated employees are of the utmost importance. A meaningful, appreciative corporate culture, dialogue-oriented corporate communications and a willingness to embrace diversity underpin our human resources policy. We can therefore count on employees who work together and every single day afresh put their heart and soul into making people enthusiastic about the networked world.

Our commitment to employees is fundamental in three areas:

- Work stress and resilience
- Diversity and equal opportunities
- Employability

We want to further increase the proportion of female employees, especially in technical professions, and are committed to equal opportunities and diversity in our company. We take decisive action against conscious and unconscious discrimination. In the year under review, we launched a new awareness campaign, tested a partial retirement model for employees over 58 years of age and trained over 900 apprentices, including five recognised or provisionally admitted refugees.

We guide and support our employees through the ongoing development of digitisation. We offer a comprehensive professional development programme for this purpose. The digital learning platform SKILLup was added in the year under review. It provides employees with learning content that meets their needs, regardless of time and location.

The dynamic economic environment demands a high degree of flexibility from our employees. As an employer,

we make every effort to ensure that our employees remain healthy and motivated for the long term. To this end, we pay particular attention to the maintenance of a good work-life balance, stress prevention, resilience and also the practice of going to work despite being ill (presenteeism).

### Dealing with the Covid-19 pandemic

The coronavirus has presented our company with a number of challenges. We set up a Covid-19 taskforce specifically for this, to make rapid, current decisions and inform employees transparently. With the emergence of the virus, we enabled a large proportion of our employees to work from home: within a very short time, over 80% of Swisscom employees were able to switch to a home office.

#### Employees on site

Additional specialised cleaning services were provided for employees who came to the office. We also supplied them with the appropriate means for their personal protection (disinfectants, protective masks, protective clothing and Plexiglas screens).

#### Employees in their home office

The opportunity to work from home was highly appreciated by many employees, but also led to challenges. Some employees with children felt the strain of combining working from home, childcare and home schooling. Additional issues that arose related to inadequate ergonomics and movement in the home office, insecurity, stress and fear for health. We actively addressed these issues with intranet news, blogs, webinars and online workouts. We also expanded the opening hours and capacities of our Care Gate advisory services.

The measures were accompanied by comprehensive internal communication:

- Coronavirus ticker and Q&A on the Intranet
- Raising employees' awareness of preventive measures (notices in buildings, fact sheets, Intranet, etc.) and instructions on conduct
- Interviews on the subject of home offices (incl. health aspects)

Staff experiences with their home office during the lockdown were taken as an opportunity to evaluate in detail how working from home is handled (see "Home office").

### General terms and conditions of employment

Swisscom's collective employment agreement (CEA) offers employees progressive employment conditions. They were drawn up jointly with the social partners and exceed the statutory minimum.

#### Remuneration and equal pay

We remunerate our employees fairly and in line with market conditions and also ensure equal pay between

the sexes. The salary system is structured in such a way that equal salaries are paid for equivalent tasks and services. We adjust employees' salaries in our annual salary review. Employees who have put in an above-average performance and whose wages are at the lower end of their respective salary bands generally receive an above-average wage increase.

We also periodically review 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 2020) have revealed minor pay discrepancies that are below the 5% tolerance threshold set by the Federal Office for Gender Equality.

#### Profit-sharing

All Swisscom employees share in the company's success by way of a variable salary component. The employee's job grade determines the level of profit-sharing. It ranges from 2% of the basic salary at the lowest level to 30% at the highest. Employees at this 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

We offer our employees an attractive pension solution, with benefits that exceed the statutory minimum, through the comPlan pension fund. At the end of 2020, some 17,200 Swisscom employees and 9,100 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. Most locations also offer a selection of discounted lunch options.

#### Supplementary regulations governing management staff

Management employees are entitled to 30 paid sabbatical days after every five uninterrupted years of managerial employment. They are also covered by a management staff risk insurance policy in the event of death.

#### Social partnership

As part of our agreed participation arrangements, we allow staff representatives and trade unions a consultation period of at least two weeks. Participation includes rights to information, participation, decision-making and self-responsibility and is set out in the CEA. The consultation period is determined by the legal basis, case law and established practice. We generally give longer notice periods than required by law and attach great importance to dialogue between management and the social partners.

### Annual leave

Depending on their age, Swisscom employees are entitled to between 25 and 30 days' annual leave. In addition, they have the opportunity to buy ten further days of annual leave per year. Employees subject to the CEA who organise 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.

### Working models

New technologies make innovative forms of organisation possible. We purposefully advance the development of new working models and test them within our own company. Agile forms of collaboration have their origins in software development, and it is no longer possible to imagine software development without them. Accordingly, we have introduced agile setups in the IT, Network & Infrastructure department first. Flat hierarchies with interdisciplinary, autonomous teams, in which everyone thinks and acts entrepreneurially, characterise this way of working. This facilitates the dynamic and flexible provision of services. It is apparent that after the first few months, employee satisfaction with this collaborative work culture is increasing. Over 5,000 Swisscom employees now work in various agile settings.

### Flexible working hours

Our working week is 40 hours. Some subsidiaries have working weeks of 41 or 42 hours. At the same time, we allow our employees to organise their work flexibly in terms of place and time in line with the requirements of their job. We provide them with the necessary tools.

### Home office

Our company plays a pioneering role in the home office model throughout Switzerland. Even before the Covid-19 pandemic, working from home, on the road or at different locations was very popular and widespread among our staff. With the fringe benefits, we already pay our employees a generous monthly allowance towards their mobile and Internet costs. Employees appreciate the flexibility, the elimination of commuting and a better work-life balance. However, this working model also requires more self-discipline on the part of employees when it comes to structuring their day, keeping to working hours and taking breaks.

In a questionnaire in May, employees were asked about their home office experience. The results are clear:

- Employees have a positive perception of working from home. Over 90% are satisfied or very satisfied with their personal situation in their home office.
- The proportion of employees who never work from home is negligible (20.5% before the lockdown, 1.1% after the lockdown).

- In future, employees would like to work more in their home office than before (maximum of one day before the lockdown, two to three days after the lockdown).

This questionnaire confirms our progressive attitude towards home offices. We will therefore continue to promote and expand this working model in the future. However, meeting regularly in the office and thus maintaining an informal exchange remains important.

### Combining work and home life

Flexible working models make an important contribution to the integration of all employees in different life situations. We therefore advertise the majority of jobs with 80 to 100% working hours. In order to make part-time work more popular, especially among men, it can be chosen for a three-month trial period.

We attach particular importance to the compatibility of work and family life and support parents with contributions to extra-familial childcare or with advisory services provided in cooperation with Familizy. We offer our female employees 18 weeks' maternity leave on the birth of their child. Employees can claim 15 days of paternity leave and a month of unpaid leave in their child's first year. Parents who adopt children are entitled to ten days' adoption leave. The Work & Care model enables employees who care for sick relatives to temporarily reduce their workload and thus meet the needs of their family.

Thanks to this commitment, the Pro Familia organisation has awarded us the "Family Score" seal of approval. This confirms that we are effective in promoting balance between work and family life.

### Professional development

#### Management approach

In order to take advantage of the emerging opportunities of digital change and to master its challenges, competent employees are essential. We therefore offer our employees the opportunity to keep up with technical progress and to continuously enhance their skills.

For this reason, we grant them five training and development days per year, which are firmly enshrined in the collective employment agreement (CEA). We have also set a target that a majority of employees use this: whether through the varied internal training offering, on-the-job development or external training and continuing professional development e.g. in conjunction with the Swiss education portal.

The One Swisscom Academy is designed to strengthen the employability of employees with a broad range of training and development opportunities. We have also signed Digital Switzerland's "Life Long Learning" initiative and we are committed to life-long learning.

### Career starters

We provide around 900 apprenticeships in eight different vocational areas. Added to these are roughly 50 apprenticeships in three vocational areas at the subsidiary cablex. In 2020, 266 apprentices with Swisscom and 16 cablex apprentices successfully completed their vocational training. This corresponds to a success rate of 95%. At the same time, 267 young people started their apprenticeship at Swisscom and 13 at cablex. The range of apprenticeships on offer means that there are opportunities for young people at all qualification levels: we offer training places for graduates of basic school education (secondary level I) as well as for grammar school graduates (secondary level II) and for students of the practice-integrated degree course in information technology. Every year, around 70 graduates from universities of applied sciences and universities gain their first practical experience in our company as part of a step-in internship. In addition, the trainee programme enables nine selected students to embark upon their careers after completing their studies.

### Training and education

By giving employees the freedom to shape their own professional development and to take responsibility for themselves, we promote an inspiring learning culture and competitiveness.

The One Swisscom Academy offers a wide range of training and development opportunities. The majority of these rely on digitised learning methods. In this way, employees can acquire knowledge independent of time and location. On the SKILLup learning platform introduced this year, employees are given access to learning content based on their skills, abilities and interests. Via various formats such as tutorials, articles, podcasts and webinars, they can also share their new knowledge with colleagues. Depending on the educational goal, we also participate in external training courses by freeing up working time and/or contributing financially. Around 58% of Swisscom employees used at least one of the five training and development days in 2020. Employees who had less work during the lockdown were encouraged to use the time freed up for further training.

### Programmes for talented employees

We offer a wide range of talent opportunities to employees with motivation and potential, enabling them to improve their skills and move into more responsible positions. To avoid talented employees being overlooked in the selection process, employees can themselves apply for the talent programmes.

### Evaluating performance and professional development

We consider it vital that employees pay attention to their employability. We support them in this with the virtual career adviser “My Employability”. This helps them to refine their job profile, uncover missing skills

and define appropriate further training measures. “My Impact” serves employees and managers as a compass for their performance evaluation. Together with their managers, the teams define the contributions they wish to make in order to jointly achieve the company’s objectives. They regularly gather feedback from their professional environment, discuss this with their line managers and, based on this, plan their professional development path in order to improve their readiness to perform.

## Diversity and equal opportunities

### Management approach

We benefit from a diverse workforce, which creates an enormous competitive advantage for us: with their different views and approaches, experiences, ideas and skills, employees inspire and learn from each other. As a result, the company gains greater creativity, innovation and success. We take care to treat colleagues fairly, regardless of their gender, age, origin, language or sexual orientation. We also ensure the inclusion of employees with physical and psychological impairments. In doing so, we design relevant processes in recruitment, appointment, development, talent management and leadership culture in such a way that they counteract even unconscious stereotyping and enable true equal opportunities.

In the past year we pushed ahead again with the promotion of diversity. Three specialists and managers from different business areas jointly assumed the lead for diversity and are actively promoting it. A diversity strategy was drawn up based on extensive data analysis, and clear governance was confirmed by the BoD. Furthermore, a Diversity Community, with more than 120 employees from across the entire entity, was founded and actively supports anchoring diversity at Swisscom. To measure success, Group Executive Board members have set diversity goals for their areas and adopted these at the division management level. We use key indicators to monitor and optimise our performance in this area. The development of the diversity focus areas is presented transparently in a dashboard.

One of the focus areas is the proportion of female employees in the company. Technological professions are still mainly performed by men. We have taken a number of measures to increase the share of women, from trainees in technological professions all the way up to the Group Executive Board. We have also set up adapted working conditions or programmes for better inclusion of physically or psychologically impaired people, young people in difficult situations and recognised or temporarily admitted refugees.

In addition, we have partnerships with specialist organisations and research institutions, including with Advance, an initiative for the promotion of women, and Compasso, an inclusion group.

We have no tolerance for discrimination and the abuse of power. This principle is communicated to employees and, especially, to managers. In cases of discrimination, the neutral Care Gate contact point is available to all employees.

### Recruitment

In the recruitment process we focus on the qualifications of the applicants and their attitude towards our values. Criteria such as age, origin and gender must not lead to discrimination. Applications may also be submitted anonymously. Candidates are selected without the support of artificial intelligence. With regard to the employment of persons from third countries, we comply with the legal regulations and give priority to Swiss nationals. In the year under review, we pledged our support to Ecole42 in Lausanne. Ecole42 trains IT specialists regardless of their previous career path (career changers) and thus helps to create more equal opportunities. The first year will commence in June 2021.

### Combating subconscious discrimination and subconscious prejudice

Discrimination often takes place subconsciously. We are working hard to counteract this and are registering initial successes. For example, the mix of gender and language regions in the talent programmes has increased since candidates are no longer proposed by their line managers but can apply themselves. We also launched a company-wide campaign on diversity in November 2020, with core messages, a self-test and knowledge transfer on the topic of "Subconscious Prejudices".

### Diversity in management bodies

Our Board of Directors currently comprises three women and six men. A woman will also join the Group Executive Board as Head of Group Human Resources in February 2021. Top management includes nine women. The Group Executive Board has set itself the goal of further increasing the proportion of women in management positions. We are represented in every language region of Switzerland and attach great importance to ensuring that the various languages are adequately represented on the governing bodies. However, this has yet to be achieved everywhere to the desired degree. We have therefore set ourselves the target for 2021 of primarily achieving diversity ambitions in the Swisscom divisions, as well as promoting linguistic diversity, spreading awareness and knowledge about subconscious prejudices and establishing job-sharing models more strongly.

### Gender equality

In the professions in demand by Swisscom, the majority of trainees are still men. To get young women interested in ICT professions, we organise the annual "Digital Days for Girls". Female apprentices from ICT training courses present their everyday working life to female students and, in so doing, make them more familiar with ICT. Events were held in Zurich, Berne and Bellinzona during

2020. This initiative has proven popular and is showing initial success. The proportion of young female professionals in ICT occupations at Swisscom rose from 27.8% to 34.2% year on year.

As a member of the nationwide Advance initiative, we promote access to training and networking opportunities for our female employees. In this way, they can increase their chances of a career move into a more responsible role.

### Generations

We employ people of all ages. On the one hand, with the "Check Your Chance" initiative of the Swiss Employers' Association, we support young people in difficult situations as they embark upon a career. On the other hand, we make it easier for our older employees to leave the workforce by offering them partial retirement.

In the year under review, we agreed with the social partners on an age-related part-time model aimed at employees aged 58 and over. If they wish, they can reduce their employment level for the next two years and then retire. We will make a financial contribution to cushion the impact of pension reductions in the pension fund, and will guarantee employment for two years. The model was launched on 1 September 2020 and is initially valid for 2020. A total of 202 employees have opted for this part-time model for older employees.

We are also a business partner to the Lucerne University of Applied Sciences and Arts for the Integrative Generation Management project.

### Nationality and language

People from 88 different nations work for us at various locations in all regions of Switzerland. When recruiting new employees, wherever possible we prioritise applicants from the respective language region as they are familiar with local customs. To attract talented people with the necessary profiles, we maintain partnerships with universities in the separate language regions of Switzerland.

### Inclusion

We build on the individual strengths and skills that each employee possesses. Where employees' work performances are impaired due to health reasons, we attach great importance to keeping them in the workforce and guaranteeing them meaningful continued employment. To promote inclusion, we reserve at least one per cent of all jobs for employees with physical or psychological impairments. We take advice from the Compasso association, of which we are a member and sponsor. Compasso specialises in providing employers with support in how to deal with people with health problems.

In the year under review, we expanded our cooperation with the Powercoders association and now offer

internships for refugees, wherever possible with the prospect of subsequent permanent employment.

## Occupational health and safety

### Management approach

The health and safety of our employees and everyone affected by our business activities is our number one priority. As an employer, we can exert a considerable influence on the health of our employees through various measures and support them in remaining healthy and motivated in the long term.

We place particular emphasis on the prevention and early detection of psychosocial disorders such as stress, emotional strain and presenteeism. In order to reduce work stress and strengthen resilience we promote a healthy work-life balance among our employees, e.g. through flexible working hours (see “Working models”) and by supporting sporting and other balancing activities. We also offer our employees regular stress and resilience courses.

Employees with health and social concerns can obtain anonymous and confidential advice from the independent Care Gate contact point. All offerings were available online during the lockdown.

We are committed to consistent adherence to safety rules in the workplace in order to protect the life and health of everyone involved. To this end, we implement the legal provisions in the form of the comprehensive “Safety at Swisscom” system as part of our occupational health management. The steering committee meets once a year. This consists of the Group Executive Board, executive bodies, occupational safety experts and staff representatives. It ensures the framework conditions for promoting all necessary measures. “Safety at Swisscom” is evaluated every two years with targeted audits conducted by occupational safety specialists.

The “Group Safety Board” meets every two months. This consists of safety experts who meet to exchange information, discuss common problems and solutions, and define Swisscom-wide measures and campaigns. A number of safety tasks have been assigned to external service providers (e.g. occupational doctors). The “Safety Board TUs” platform is used to coordinate with them. The safety officers investigate accidents quickly and systematically and examine possible improvements. In combination with numerous awareness-raising and prevention measures, this leads to lower accident rates and reduced absenteeism. Key figures on work-related accidents and illnesses are collected via a central reporting system. Twice a year, a survey of the personal work situation is conducted to measure the general stress level and presenteeism of employees.

### Safety certifications and partnerships

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. The operational group solution according to FCOS directive 6508 and FCOS guidelines 6508/10 is comparable to the standard according to ISO 45001:2018. The certification will expire on 30 June 2021. The process of recertification for another five years started in June 2020. The necessary documents were sent to the FCOS office by the end of 2020.

As the 2020 “Health and Safety Regulatory Compliance” audit proves, we have a comprehensive safety system in place that complies with the law. This is based on the requirements of the directive on the deployment of occupational doctors and other occupational safety specialists (ASA directive) of FCOS and on the ten system points of Suva, the Swiss National Accident Insurance Fund.

We are a signatory to Suva’s “STOP in case of danger” safety charter. Thanks to our systematic anchoring of health in the company, our targeted prevention approach and impact measurement, we were awarded the “Friendly Work Space” label by Health Promotion Switzerland in 2018. This label is valid for three years.

### The Employee Representation Committee’s commitment to safety

The members of the Employee Representation Committee are familiar with the realities of life within the company from their own day-to-day work and are therefore able to contribute quickly and effectively to the well-being of their colleagues. They develop proposals for improving ergonomics and occupational health and safety, and they bring these to the meetings of “Safety at Swisscom” and the “Group Safety Board”.

### Prevention of psychosocial risks

We offer numerous programmes aimed at preventing health risks within the framework of occupational health management (OHM). To reduce psychosocial risks, we regularly organise stress and resilience courses as well as “Mental Health First Aid” (MHFA) courses together with Pro Mente Sana. We are pioneers in this field in Switzerland. With the help of the Institute for Occupational Medicine (IFA), we are now also training course participants on the subject of presenteeism.

A long-term indicator of work stress is the absence rate. In 2020, the absence rate was 2.6% (prior year: 2.9%). The number of absences fell by 18.5% year on year, but the duration of the individual absences increased. From April 2020, we recorded much lower figures. It is reasonable to assume that the lockdown with home offices, reduced social exchange and awareness of hygiene measures such as hand washing led to this lower figure.



The feedback from the internal Pulse survey provides a further indicator of health risks. This survey explicitly asks whether employees experience negative stress in their working environment. If a team has high stress readings, we offer the opportunity to carry out an in-depth stress analysis. This includes the measurement of presenteeism (the practice by employees of going to work despite being ill). This is a psychosocial risk that is increasingly being taken into account in our company, right up to Board level. Awareness of this issue was raised among the members of the Board of Directors in January 2020.

### **Work-related accidents and illnesses**

The risk and the number of occupational illnesses pursuant to the Federal Accident Insurance Act (UVG) are minimal at our company. The number of occupational accidents per thousand full-time employees showed a positive trend in the year under review (20%). At 14 accidents per one thousand full-time employees per year, the

incidence rate is well below that of comparable sectors (e.g. insurance).

More than a third of all occupational accidents at Swisscom occur in the office and home office. Most of them are falls caused by inattentiveness, stumbling or slipping. As these are minor accidents, they cause no or only a few days of absence or absences from work. The reported occupational accidents are systematically analysed by the Safety Officer. If necessary, technical, organisational and personal measures are taken.

In the current year, Suva found no cases of work-related illness at our company. Likewise, no fatal accidents at work were recorded.

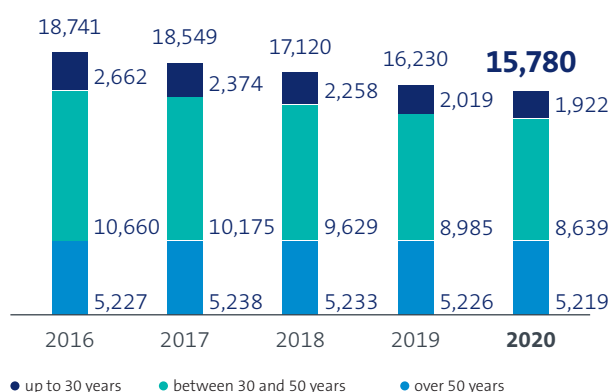
Among long-term absences, the number of cases remained stable, as did the average length of absence. A total of 1,854 absences were due to non-occupational accidents (NOAs).

Number respectively as indicated	2018			2019			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Illness and accidents (S+A)</b>									
Regular working days in FTE	3,130,289	934,895	4,065,183	3,103,967	1,028,765	4,132,732	3,036,402	986,088	<b>4,022,490</b>
Days lost due to illness (w/o work-related illness)	66,143	38,138	104,281	65,149	36,077	101,227	59,583	28,952	<b>88,535</b>
Days lost due to work-related illness	8	180	188		57	57	–	–	–
Days lost due to work-related accidents	2,653	488	3,142	2,673	259	2,932	2,513	152	<b>2,665</b>
Days lost due to non-work-related accidents	12,764	3,862	16,626	12,984	3,409	16,393	10,567	2,792	<b>13,359</b>
<b>Days lost total (S+A)</b>	<b>81,569</b>	<b>42,669</b>	<b>124,238</b>	<b>80,806</b>	<b>39,803</b>	<b>120,610</b>	<b>72,663</b>	<b>31,896</b>	<b>104,559</b>
Number of cases of illness	15,401	7,629	23,030	15,045	7,197	22,242	11,373	5,385	<b>16,758</b>
Work-related accidents	248	30	278	241	43	284	197	32	<b>229</b>
Number of non-work-related accidents	1,877	568	2,445	1,906	572	2,478	1,452	402	<b>1,854</b>
<b>Total cases<sup>1</sup></b>	<b>17,526</b>	<b>8,227</b>	<b>25,753</b>	<b>17,192</b>	<b>7,812</b>	<b>25,004</b>	<b>13,022</b>	<b>5,819</b>	<b>18,841</b>
Share of days lost due to illness (w/o work-related illness)	2.12%	4.08%	2.57%	2.10%	3.51%	2.45%	1.96%	2.93%	<b>2.20%</b>
Share of days lost due to work-related illness			0.0050%		0.01%	0.0014%	0.000%	–%	<b>0.000%</b>
Number of work-related accidents	0.09%	0.05%	0.08%	0.09%	0.03%	0.07%	0.08%	0.02%	<b>0.07%</b>
Share of days lost due to non-work-related accidents	0.41%	0.41%	0.41%	0.42%	0.33%	0.40%	0.35%	0.28%	<b>0.33%</b>
<b>Rate of days lost total (S+A) in %</b>	<b>2.61%</b>	<b>4.56%</b>	<b>3.06%</b>	<b>2.61%</b>	<b>3.87%</b>	<b>2.92%</b>	<b>2.40%</b>	<b>3.20%</b>	<b>2.60%</b>
Work-related deaths			–	–	–	–	–	–	–
Net presence in FTE	10,813	3,307	14,119	9,864	2,458	12,279	7,816	2,117	<b>9,921</b>
<b>Total productive hours performed</b>	<b>21,473,128</b>	<b>6,432,428</b>	<b>27,905,556</b>	<b>20,306,884</b>	<b>5,753,271</b>	<b>26,060,156</b>	<b>16,294,051</b>	<b>5,005,499</b>	<b>21,299,551</b>
Productive time per FTE in hours	1,734	1,749	1,738	1,684	1,636	1,673	1,402	1,505	<b>1,425</b>

1 Failure of working time which generates medical costs

## Employee age structure

in headcount (HC)



## Overall balance in Switzerland

Number respectively as indicated	2018			2019			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total workforce in Switzerland</b>									
Average workforce FTE			<b>17,363</b>			<b>16,872</b>			<b>16,234</b>
Workforce end of year FTE			<b>17,147</b>			<b>16,628</b>			<b>16,048</b>
<b>Reporting limit in Switzerland according to the personnel information system</b>									
<b>Coverage report limit</b>			<b>95%</b>			<b>93%</b>			<b>93%</b>
<b>Average workforce FTE</b>	12,610	3,845	<b>16,455</b>	12,062	3,516	<b>15,578</b>	11,652	3,337	<b>14,989</b>
<b>Employees in FTE per end of December in headcount (HC)</b>	12,448	3,759	<b>16,207</b>	11,938	3,443	<b>15,381</b>	11,584	3,318	<b>14,902</b>
Temporary positions (HC)	1,074	389	<b>1,463</b>	945	292	<b>1,237</b>	806	225	<b>1,031</b>
Permanent work contracts (HC)	32	25	<b>57</b>	120	92	<b>212</b>	177	117	<b>294</b>
Temporary work contracts (HC)	12,723	4,340	<b>17,063</b>	12,111	3,907	<b>16,018</b>	11,742	3,744	<b>15,486</b>
Gender ratio (HC)	74.5%	25.5%	<b>100.0%</b>	75.4%	24.6%	<b>100.0%</b>	75.5%	24.5%	<b>100.0%</b>
Full-time employment (HC)	11,279	2,378	<b>13,657</b>	10,692	2,101	<b>12,793</b>	10,172	2,001	<b>12,173</b>
Part-time employment (HC)	1,476	1,987	<b>3,463</b>	1,419	1,806	<b>3,225</b>	1,570	1,743	<b>3,313</b>
Ratio full time employees (HC)	88.4%	54.5%	<b>79.8%</b>	88.3%	53.8%	<b>79.9%</b>	86.6%	53.4%	<b>78.6%</b>
Ratio part time employees (HC)	11.6%	45.5%	<b>20.2%</b>	11.7%	46.2%	<b>20.1%</b>	13.4%	46.6%	<b>21.4%</b>
Employees in collective employment agreement (CEA)	10,036	4,003	<b>14,039</b>	9,538	3,614	<b>13,152</b>	9,247	3,462	<b>12,709</b>
Rate collective labour agreement (CEA) to total workforce	78.7%	91.7%	<b>82.0%</b>	78.0%	90.4%	<b>81.0%</b>	77.6%	89.7%	<b>80.5%</b>
Top Management (HC)	75	5	<b>80</b>	76	9	<b>85</b>	69	9	<b>78</b>
Management (HC)	2,644	357	<b>3,001</b>	2,617	376	<b>2,993</b>	2,603	390	<b>2,993</b>
Rate of employees within Management (HC)	88.3%	11.7%	<b>100.0%</b>	87.4%	12.6%	<b>100.0%</b>	87.0%	13.0%	<b>100.0%</b>
<b>Fluctuation in Switzerland</b>									
Average age	43.8	41.1	<b>43.1</b>	44.1	41.5	<b>43.5</b>	44.3	41.7	<b>43.7</b>
Leavings <sup>1</sup>	1,643	686	<b>2,329</b>	1,382	497	<b>1,879</b>	1,092	317	<b>1,409</b>
Leavings < 30 years <sup>1</sup>	237	158	<b>395</b>	197	123	<b>320</b>	170	74	<b>244</b>
Leavings 30–50 years <sup>1</sup>	866	375	<b>1,241</b>	708	256	<b>964</b>	524	158	<b>682</b>
Leavings > 50 years <sup>1</sup>	540	153	<b>693</b>	477	118	<b>595</b>	398	85	<b>483</b>
Rate of leavings < 30 years	14.4%	23.0%	<b>17.0%</b>	14.3%	24.8%	<b>17.0%</b>	15.6%	23.3%	<b>17.3%</b>
Rate of leavings 30–50 years	52.7%	54.7%	<b>53.3%</b>	51.2%	51.5%	<b>51.3%</b>	48.0%	49.8%	<b>48.4%</b>
Rate of leavings > 50 years <sup>2</sup>	32.9%	22.3%	<b>29.8%</b>	34.5%	23.7%	<b>31.7%</b>	36.4%	26.8%	<b>34.3%</b>
Enterings <sup>1</sup>	1,203	437	<b>1,640</b>	908	239	<b>1,147</b>	705	177	<b>882</b>
Enterings < 30 years <sup>1</sup>	429	217	<b>646</b>	278	109	<b>387</b>	214	82	<b>296</b>
Enterings 30–50 years <sup>1</sup>	622	187	<b>809</b>	547	120	<b>667</b>	434	88	<b>522</b>
Enterings > 50 years <sup>1</sup>	152	33	<b>185</b>	83	10	<b>93</b>	57	7	<b>64</b>
Rate of Enterings < 30 years	35.7%	49.7%	<b>39.4%</b>	30.6%	45.6%	<b>33.7%</b>	30.4%	46.3%	<b>33.6%</b>
Rate of Enterings 30–50 years	51.7%	42.8%	<b>49.3%</b>	60.3%	50.2%	<b>58.2%</b>	61.6%	49.7%	<b>59.2%</b>
Rate of Enterings > 50 years <sup>2</sup>	12.6%	7.6%	<b>11.3%</b>	9.1%	4.2%	<b>8.1%</b>	8.1%	4.0%	<b>7.3%</b>
<b>Further KPIs</b>									
Education and training days			<b>51,097</b>			<b>52,776</b>			<b>45,734</b>
Number of days training and education per employee (headcount)			<b>3.0</b>			<b>3.3</b>			<b>2.9</b>
Maternity and paternity leave	571	206	<b>777</b>	584	210	<b>794</b>	580	195	<b>775</b>
Total CEO compensation in kCHF			<b>1,829</b>			<b>1,759</b>			<b>1,853</b>
Median salary in kCHF			<b>135</b>			<b>137</b>			<b>139</b>
Ratio CEO compensation / median salary			<b>14</b>			<b>13</b>			<b>13</b>
Variation of CEO compensation			<b>-2.1%</b>			<b>-3.8%</b>			<b>5.3%</b>
Variation of median salary			<b>1.5%</b>			<b>1.5%</b>			<b>1.5%</b>
Minimum full time salary in kCHF according to the CEA			<b>52</b>			<b>52</b>			<b>53</b>
Performance Dialogues <sup>3</sup>			<b>93.9%</b>			<b>91.4%</b>			<b>95.4%</b>

1 without fixed-term contracts of employment

2 without retirements

3 without apprentices

## Fair supply chains

The continuous improvement of working conditions along the supply chains is an important part of our Sustainability Strategy 2025. Each year, suppliers deliver goods and services to us worth over CHF 4.4 billion. The majority of our suppliers belong to the ICT industry and are active in the areas of network infrastructure and merchandise. We are committed to fair and effective partnerships with them. We therefore actively involve them, define development targets together, and strive for the continuous optimisation of our joint procurement processes. With the help of international industry initiatives, we can bring about progress in respect for human rights and environmental protection in our economic sector.

### Management approach

We are committed to better working and environmental conditions at our suppliers and require them and their subcontractors to commit to acting in a sustainable manner. The corresponding economic, ecological, legal and social principles are anchored in the Code of Conduct for Procurement. The Code sets out binding rules that suppliers commit to comply with by signing the Corporate Responsibility Contract Annex (CRCA). The Code also obliges our own employees to act responsibly in purchasing. It serves as the basis for our reliable partnerships with our suppliers.

We monitor compliance with the requirements with the help of a structured, holistic risk management system, which we continuously expand conceptually and implement in procurement. The risk management system systematically covers all risk areas of the supply chains and the entire supplier portfolio (see “Risk management system”).

☉ See [www.swisscom.ch/procurement](http://www.swisscom.ch/procurement)

The measures that ensure fair supply chains also actively contribute to risk management in the supply chains. 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 been in place for years and has proven its worth. It is fostered and implemented successfully at our company, and therefore is not currently in need of an update.

Overall responsibility lies with our Head of Group Business Steering. A specialist unit defines the strategic direction and implements the operational business. 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.

## Main risk factors in the supply chains

### Human rights

We attach 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. Our guidelines on human rights are published on our website.

☉ See [www.swisscom.ch/humanrights](http://www.swisscom.ch/humanrights)

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

We are actively committed to establishing the Innovators Network to Enable Human Rights (INHR) initiated by the 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. Since 2019 we have also been a member of the UN Global Compact initiative.

☉ See [www.unglobalcompact.org](http://www.unglobalcompact.org)

☉ See [www.gesi.org](http://www.gesi.org)

### Climate risks

Climate change poses risks, e.g. in the form of increasing levels of precipitation, higher average temperatures and extreme meteorological events. These risks may compromise the manufacture of telecommunications products and network equipment as well as their transport into Switzerland, and thus have a negative effect on our market opportunities and operations. Our greenhouse gas inventory (see “Energy consumption and climate footprint”) shows that the majority of our CO<sub>2</sub> emissions are attributable to the supply chains – a fact we take into account in our strategic priority on climate protection (see “Ready for the environment”).

### Raw materials

The raw materials contained in Swisscom’s various products come from numerous countries and regions. Questions are increasingly being raised on the origin of the raw materials used and the associated sociological and environmental risks. As a member of the Global e-Sustainability Initiative (GeSI), we are also affiliated with the Responsible Mining Initiative (RMI). The goal of this initiative is to monitor the origin of conflict minerals more strictly. This gives us access to the initiative’s regular reporting.

☉ See [www.responsiblemineralsinitiative.org/about/members-and-collaborations/](http://www.responsiblemineralsinitiative.org/about/members-and-collaborations/)

☉ See [www.responsiblebusiness.org/](http://www.responsiblebusiness.org/)

### Corruption

We have established a policy of zero tolerance in our approach towards corruption. We implement our internal guidelines through regular training, reviews and audits across the Group. In addition, we also require our suppliers to comply with these guidelines. We expect our own employees and those of our suppliers not to grant or accept any undue advantages. Infringements may result in disciplinary actions for our own 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 chains.

### Supplier risk management

#### Risk management system

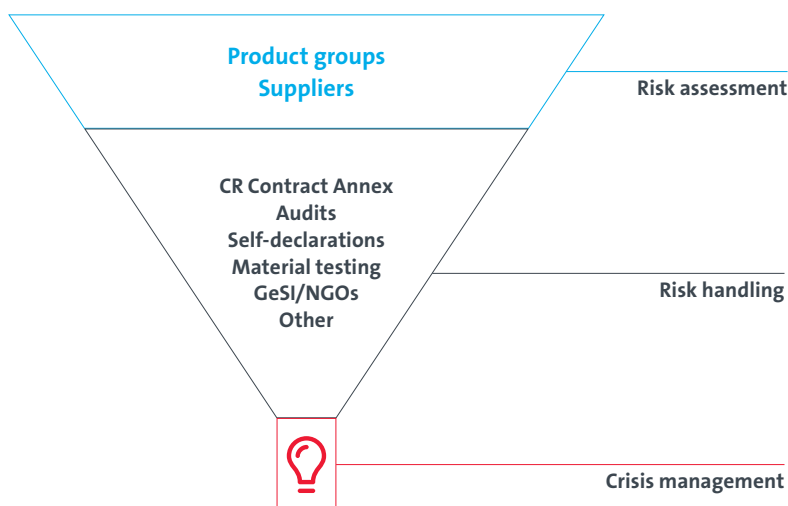
We purchase services and goods from several hundred suppliers and subcontractors, which we regularly check for risks. In order to identify supply partners with effective risk potential at an early stage, we use a two-stage system. As a first step, we classify product groups according to their ecological and sociological risk profile. As a second step, we use a specially developed grid to identify individual suppliers of goods with high and

medium risk profiles. At our own discretion, we also include other trading partners or entire supply chains in our risk monitoring.

Our Supply Chain Risk Management (SCRM 360) follows a holistic approach. The goal is to reduce the risks not only in terms of the environment and society, but also with regard to finances, security, logistics and quality. We continuously check 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, our purchasing organisation is automatically notified. The top 100 suppliers are selected based on the purchase volume, strategic importance and risk profile of the product groups.

In the case of potential supply partners and generally in connection with invitations to tender, we make an initial assessment of the overall risk of a supplier or subcontractor. We introduce new suppliers step by step by means of an in-phasing process.

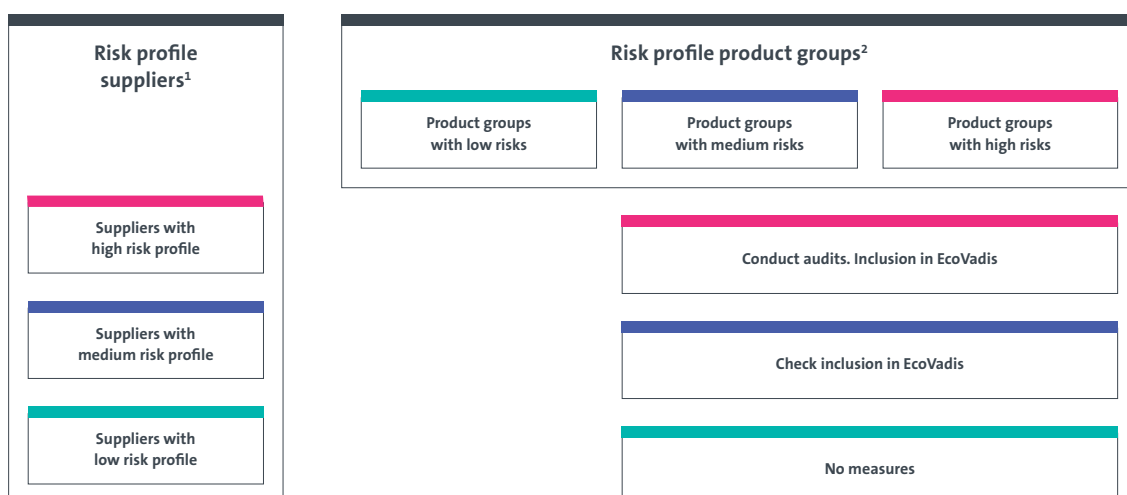


#### Risk management suppliers

In 2020, following this procedure, our risk monitoring registered over 500 suppliers, subcontractors and potential suppliers in 51 countries and more than 90 supply chains

with roughly 530 delivery paths. A supply chain consists of at least two delivery paths, i.e. delivery paths are linked to/with supply chains.

## Overview and requirements of risk management in the supply chain



<sup>1</sup> The suppliers are classified according to the product groups.

<sup>2</sup> New suppliers, specific evaluations and re-evaluations take place via selective risk profile of the suppliers.

### Self-declarations and self-assessments

All major suppliers are registered on EcoVadis. We have evaluated 175 suppliers via this audit platform. Suppliers included in risk monitoring are registered and invited to an assessment.

EcoVadis evaluates suppliers in the core disciplines of environment, human rights, ethics and supply chain management. If deficiencies occur, the suppliers concerned are required to remedy them by means of corrective measures with appropriate evidence. Implementation is monitored in the course of a reassessment, which is completed if successful. We invited 16 suppliers for reassessments in 2020.

The average overall score of our suppliers is comparatively high. In the year under review, with an average score of 58.1 out of 100 points, Swisscom suppliers performed significantly better than the suppliers recorded on the platform worldwide. Their average overall score was 42.9 points.

Some 93% of our suppliers on EcoVadis have already undergone one or more reassessments. This is otherwise only the case for 38% of all suppliers evaluated on the platform. As part of the reassessments, our suppliers improved their overall score by an average of 11.5 points compared with the initial assessment (environment +11.0 points, labour and human rights +12.0 points, ethics +10.9 points and sustainable procurement +12.4 points).

In 2021, we intend to conduct another critical review of the list of suppliers in high-risk product groups. We also completed a reassessment of our own sustainability on the EcoVadis platform in 2020 and again improved our overall score. In an industry comparison, we are well above the average of 45 points thanks to an overall score of 80 out of 100 points. The overall score covers the

entire Swisscom Group, including Fastweb. In the area of sustainable procurement, Swisscom scored 80, which is an excellent result compared with the industry benchmark (39).

### Audits

We are a member of the Joint Audit Cooperation (JAC). JAC is a consortium of 15 telecoms enterprises which checks the safeguarding of social responsibility in the production centres of the major multinational ICT suppliers. Most of these are located in China, Taiwan, India, Japan, South Korea and South America.

We use audits to identify socially or environmentally unsatisfactory practices and take appropriate measures to address them. Uncovered issues often concern working hours, occupational safety, the environment, salary, health and safety. In the event of irregularities, deadlines are agreed for the concrete implementation of improvements. These are usually three, six or twelve months. In the case of critical shortcomings, we can generally terminate the collaboration with a supplier. Thanks to the tried and tested, systematic risk management approach, such serious cases have not yet arisen.

In addition to the normal sustainability audits, the partner organisation Elevate again conducted mobile surveys in 2020. 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. JAC organised a total of 13 mobile surveys in the year under review. In 2020, the JAC initiative implemented its measures with Covid-19-related restrictions. The JAC Academy conducted sustainability training at suppliers. The JAC Awards honoured the best achievements in the field of sustainable supply chains for the fourth time. The certificates are awarded annually at the JAC CSR Forum in China.

### Audit results

Only 78 audits of direct suppliers were carried out within the JAC network in the year under review due to the Covid-19 pandemic (prior year: 124). The proportion of audits at supply partners was 72%.

The audits involved production facilities, most of which are located in China, Taiwan, India, Japan, South Korea and South America. They identified 665 vulnerabilities. Most of them are related to working hours, occupational safety and the environment. Deviations in terms of the employment of young people relate to excess hours or night shifts, but not child labour. The audits also identified 21 cases of discrimination and the employment of minors. 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.

The time period for rectifying the problems depends on the category concerned. 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 728 audits in 39 countries on four continents since 2010. These audits have covered 1.4 million employees and identified 4,732 cases of shortcomings, with 559 still to be resolved. The table lists the shortcomings still outstanding in the year under review:

Number of issues	2018	2019	2020
Health and safety	177	166	171
Working hours/overtime	84	69	64
Business ethics	49	38	47
Child and juvenile labour	6	6	5
Remuneration	24	30	35
Environment	56	69	72
Forced labour and discrimination	13	18	12
Disciplinary practice and freedom of association	6	6	9

# Ready for the environment

The protection of the environment and especially the climate is an important part of our corporate philosophy. For over 20 years we have been systematically decarbonising our activities. We are using new financing instruments to raise funds to increase our energy efficiency and accelerate our conversion to renewable energies. Together with our customers, we aim to save significantly more greenhouse gas emissions than our entire operation and supply chains generate. To this end, we are developing an attractive range of technology-supported services. We are also driving forward the conversion to a circular economy of ICT devices with innovative solutions.

## Climate protection and energy efficiency

### Management approach

Limiting the global rise in temperature is a major challenge for our society. In our role as an IT and telecommunications provider and as a major consumer of energy, we are intensively and proactively concerned with climate protection and energy efficiency. We operate the largest telecommunications and IT infrastructure in Switzerland and one of the largest fleets of company and commercial vehicles. In addition, we have a real estate portfolio consisting of offices, business premises, shops and data centres. Every year we procure goods and services worth CHF 4 billion and provide our many customers with a wide range of products and services. We want to use our influence to make a significant contribution to a climate-friendly Switzerland. To this end we have drawn up an ambitious climate strategy and a comprehensive raft of measures.

Our climate protection strategy is also based on the IPCC Special Report, which represents a tightening of the Paris climate target, recommending that a maximum temperature increase of 1.5 °C be observed. Our reduction path is aligned with climate science up to 2030 (Science Based Targets). In line with these targets, we have also identified new measures, including the electrification of our fleet and the use of heat pumps for our heating systems.

We manage all measures to protect the climate using an environmental management system. We use norms, standards and internal directives to implement the planned savings and efficiency measures systematically. 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. Our 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. We have determined our energy requirements on the basis of scenarios and defined energy efficiency and CO<sub>2</sub> reduction targets. In addition, we have concluded target agreements with the Energy Agency of the Swiss Private Sector (EnAW) and the federal “Exemplary Energy and Climate” initiative (VBE).

Building on an 80% reduction in our direct greenhouse gas emissions over the past 30 years, we intend to continue on this reduction path. This is reflected in our Sustainability Strategy 2025. We aim to further decarbonise our operations and supply chains and to limit our direct and indirect CO<sub>2</sub> emissions to 300,000 tonnes between 2020 and 2025. The remaining, unavoidable operational emissions will be completely offset with myclimate from 2020 onwards. As a result, we have become a climate-neutral company.

Periodic analyses of our impact on the environment prove that our energy consumption is the most important internal lever for reducing CO<sub>2</sub> emissions. By 2025, we want to increase our energy efficiency by a further 25% compared with the level on 1 January 2020. In addition, we will focus even more strongly on renewable energies in the future. By purchasing certificates of origin, we already use 100% renewable energy today. In the coming years, we want to further increase the proportion of solar power we generate ourselves and reduce our use of fossil fuels.

These conversions cannot happen without investment. We are currently examining our climate-related risks and opportunities on the basis of the official Swiss cli-



mate scenarios (climate scenarios CH-2018) and will align our business strategy accordingly as required. We follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) in the areas of governance, strategy and risk management, and publish information on our approach to adaptation and mitigation as well as on our conclusions. Full implementation of the recommendations of the TCFD (incl. metrics and targets) is planned for the 2021 financial year. In this way we will ensure the long-term resilience of our business and create the basis for our investors to trust us and accompany us on this path. In the year under review, we became the first listed Swiss company to successfully issue a EUR 500 million green bond. The resulting capital will enable us to press ahead vigorously with our climate protection measures. Reports on the allocation of the capital and the impact achieved are publicly accessible on our website.

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

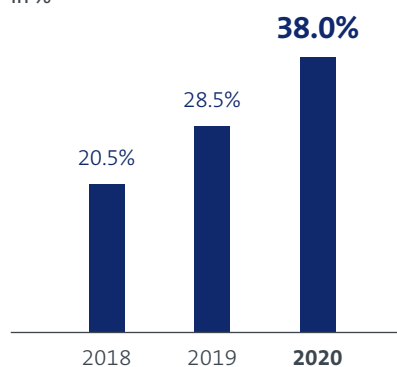
Our ambitions do not stop at net zero emissions. Through our portfolio and together with our customers, we aim to save a total of 800,000 tonnes of CO<sub>2</sub> by 2025. The savings should exceed our own emissions by 500,000 tonnes, which corresponds to around one per cent of Switzerland's greenhouse gas emissions. In this way we are making a significant contribution to climate protection in Switzerland. We promote and develop services that enable people in Switzerland to lead a climate-friendly lifestyle. In the year under review, we added a number of such services to our portfolio. For example, we offer our customers the option of offsetting the climate emissions of their smartphones, and with the "Swiss Climate Challenge" app we raise public awareness of climate-friendly mobility. With the IoT Climate Award we honour particularly climate-friendly Internet of Things solutions.

Our supply chains are responsible for the bulk of our CO<sub>2</sub> emissions. Together with our suppliers, we therefore set reduction targets and support them in improving their ecological footprint.

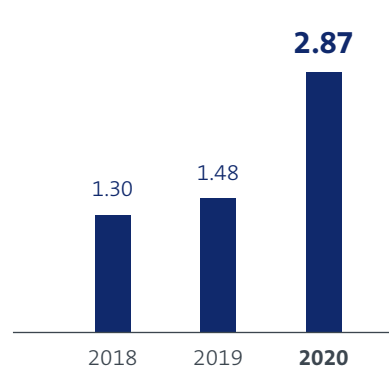
Partnership	Target agreement	Start year January 1 <sup>st</sup>	Target year Dec. 31 <sup>st</sup>	Target
Swisscom	Ratio CO <sub>2</sub> savings achieved by customers to CO <sub>2</sub> emissions Swisscom	2016	2020	2:1
Swisscom	Energy efficiency (savings measures over total energy consumption, not weighted)	2016	2020	+35%
EnAW	Energy efficiency (savings measures over total energy consumption, not weighted)	2013	2022	+35%
EnAW	CO <sub>2</sub> intensity of heating fuels (CO <sub>2</sub> emissions as a proportion of total CO <sub>2</sub> emissions and CO <sub>2</sub> savings)	2013	2022	-8%
EnAW	CO <sub>2</sub> intensity of fuels (CO <sub>2</sub> emissions as a proportion of total CO <sub>2</sub> emissions and CO <sub>2</sub> savings)	2013	2022	-24%
VBE	Energy efficiency (savings measures over total energy consumption, not weighted)	2006	2020	+25%
SBTI	CO <sub>2</sub> Reduction Scope 1	2013	2020	-10%
SBTI	CO <sub>2</sub> Reduction Scope 2	2013	2020	-100%
SBTI	CO <sub>2</sub> Reduction Scope 3	2013	2020	-18%

## Energy efficiency increase in Switzerland since 1. January 2016 and forecasts

in %



## Ratio CO<sub>2</sub> reductions to CO<sub>2</sub> emissions



## Energy efficiency in operations

We are investing an enormous amount in telecommunications networks. The network infrastructure is described in detail in the “Infrastructure” section of the Annual Report and in the “Ready for Switzerland” section of this report. To operate the networks we need various energy sources, primarily electricity.

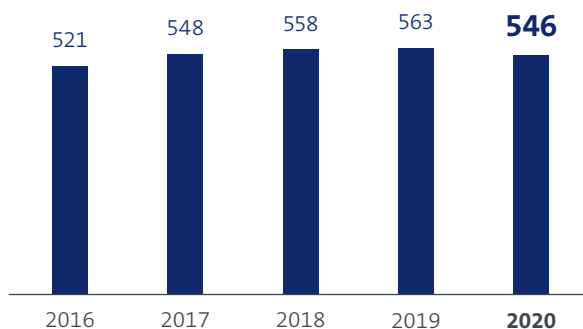
### Energy management according to the standard

Through systematic energy management, we are increasing our energy efficiency, reducing costs and minimising our company’s direct and indirect carbon footprint, especially our CO<sub>2</sub> footprint. In line with ISO Standard 50001 on energy efficiency, our 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
- 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

## Total energy consumption Swisscom

in GWh



### Determining energy demand up to 2030

In the year under review, we determined our energy demand and its CO<sub>2</sub> footprint beyond the strategy target year 2025 to 2030. The hypotheses and scenarios considered postulate total electrification of mobility and strong electrification of building heating. The demand for fossil fuels should thus decrease. The switch to electrical processes will be accompanied by considerable increases in efficiency, as electric motors and heat pumps are particularly efficient.

### Determining the energy mix (particularly the electricity mix)

We pay attention not just to the quantity of energy consumed, but also to its quality and therefore to its carbon footprint. In the year under review, we published our procurement policy for renewable energy. We obtain our energy as far as possible from clean sources that are renewable or cause low CO<sub>2</sub> emissions. These include primarily hydropower, photovoltaics, wind power and, to a lesser extent, biomass for heating systems.

© See [www.swisscom.ch/renewable-energy](http://www.swisscom.ch/renewable-energy)

At 88%, electricity accounts for the largest share of our total energy consumption. We are committed to the use of 100% electricity from renewable energies and are a member of RE100, an international initiative to promote electricity from renewable resources. We obtain our renewable energy through three mechanisms:

- We have our own photovoltaic systems.
- We purchase the majority of our hydroelectricity from established suppliers in Switzerland.
- We buy certificates of origin (HKN) for the non-renewable part of the energy 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.

### Energy-efficient operations

We are continuously committed to increasing energy efficiency and the associated reduction of the CO<sub>2</sub> footprint in our operations. The following measures make the greatest contribution. They are among the projects that we can finance with green bond funds.

#### Network modernisation

The steady expansion of our network generated additional electricity consumption this year as well. We were able to offset some of this through new architectures, the use of improved technologies, more energy-efficient processes (e.g. fresh air cooling of base stations in the mobile network) and the dismantling of obsolete network elements (e.g. the TDM platform). An additional advantage of the new networks is their lower material intensity. This enables us to save on less efficient copper lines.

#### Replacement of antennas and cooling devices

A few years ago we introduced a new antenna system that requires considerably less cooling than its predecessors. The remote radio units (RRU) are located directly on the antenna mast. They are cooled by the outside air, which reduces the heat load and therefore the required cooling capacity within the base station. We are now replacing the remaining oversized and energy-intensive cooling systems with modern and sustainable alternatives.

We are currently replacing those cooling systems that consume a lot of energy or have been in operation for more than eight years. At 1,250 locations, the chillers and

split units are being replaced with new systems. Wherever possible, environmentally friendly and cost-effective ventilation systems are being used, which operate without compressors and coolants.

### Innovative data centres

The power usage effectiveness (PUE) value represents the total power consumed by a data centre relative to the power consumed by the IT infrastructure used there. In the year under review, our data centres had an average PUE value of 1.32 (prior year: 1.35). We strive to improve this figure all the time.

Our most innovative data centre is located in Berne Wankdorf. This is cooled with recirculated air and rain-water and achieved a PUE value of 1.26 in 2020. Its waste heat flows into the city of Berne's heating network and directly heats homes in the vicinity.

In order to further boost the efficiency of our data centres, we are focusing primarily on server virtualisation. This means that less IT infrastructure and therefore less energy are required for the same performance.

### Savings in buildings

We monitor and improve electricity consumption in buildings as part of efficiency measures in accordance with the internal Pioneer standard. In the year under review, the corresponding checks helped optimise the operating conditions of buildings, saving 1,003 GWh of energy, 32% as a result of lighting measures alone.

We measure the consumption of heating oil, natural gas, district heating and water on a monthly basis in our 120 largest buildings. Together, these buildings account for more than half of our total floorspace. We then extrapolate these figures to calculate the overall annual consumption. The monthly measurements have also revealed cases of disproportionately high energy consumption, which have been optimised. Practically no change was seen in energy consumption for heating buildings, as offices were heated irrespective of the number of occupants, but CO<sub>2</sub> emissions from the buildings fell slightly as a result of adjustments to the heating mix – such as the use of biomass (wood), including indirectly via district heating as a supplementary energy source.

As part of a large-scale efficiency programme, we have been replacing all heating systems that were due to be refurbished with CO<sub>2</sub>-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.

### Utilising waste heat

We use the waste heat from the IT infrastructure in the operating rooms or from data centres to heat our offices

or neighbouring areas. For example, we feed waste heat into the district heating systems in Zurich (Binz and Herdern), St. Gallen and Berne Wankdorf to heat residential and office buildings in the neighbourhood. In 2020, we also began supplying waste heat from our operation building in Ittigen to the energy network of the federal offices. We are thus providing heating for our regulatory authority DETEC (Federal Department of the Environment, Transport, Energy and Communications), an example of a measure (heat recovery) from the action plan of the "Exemplary Energy and Climate" (VBE) programme, which Swisscom is committed to implementing. During the year under review, a total of 12.8 GWh (prior year: 8.8 GWh) of thermal energy was fed into neighbouring areas as district heating, saving 1,280,000 litres of heating oil (prior year: 880,000 litres).

### Generating our own solar energy

We generate and use our own electricity from photovoltaic systems on our transmitter stations, base stations and telephone exchanges. At the end of 2020, the total output of our 84 solar installations was 3,321 kWp (+5%) and electricity production was 2.9 GWh. In 2020, we launched a new project for the construction of photovoltaic systems on buildings with mobile communications installations. This means that we can exceed the declared target of 4,000 kWp by 2023.

### Fleet of climate-neutral vehicles

Our employees depend on needs-oriented mobility and a modern vehicle fleet for their professional activities such as after-sales support and network maintenance. We have decided to gradually make our entire fleet climate-neutral: by 2025, we will halve the CO<sub>2</sub> emissions of our vehicle fleet, and by 2030 the entire Swisscom fleet will be CO<sub>2</sub>-neutral (passenger cars and commercial vehicles).

In the meantime, the traditional drives will continue to be optimised and energy-efficient models will be procured. We have adjusted our procurement strategy accordingly: criteria such as efficiency category and CO<sub>2</sub> emissions are even more important than before. In 2020, 87.3% (prior year: 88.6%) of the vehicle fleet was classified as energy efficiency categories A and B. The passenger car fleet had average CO<sub>2</sub> emissions of 100 grams per kilometre according to NEDC and 115 grams per kilometre according to WLTP, while commercial vehicles had emissions of 170 grams per kilometre. We have therefore achieved our target for the passenger car fleet, set in 2013, of 95 grams of CO<sub>2</sub> per kilometre in accordance with NEDC, within a tolerance interval of 5%. Starting next year, we will only report on the WLTP value.

### Climate protection solutions for our customers

Our climate targets not only include our internal CO<sub>2</sub> emissions. As an ICT company, we can also make a significant contribution to the climate-friendly lifestyle of

people in Switzerland. This is why we are consistently committed to the use of innovative ICT services in our own company and by our customers. Together with them we want to save 800,000 tonnes of CO<sub>2</sub> by 2025.

The Internet of Things (IoT), for example, is described as a key technology for reducing CO<sub>2</sub>. Artificial intelligence (AI) can also contribute to a more climate-friendly lifestyle. Through the use of services for Work Smart, for the remote monitoring and optimisation of vehicles, machines and buildings and for climate-friendly cities, everyone can reduce their own CO<sub>2</sub> footprint. We provide some of the necessary solutions ourselves, while others are offered by SMEs or start-ups on the basis of our technical infrastructure.

In the year under review, we further expanded our range of sustainable solutions. In addition, we updated the models for calculating our target achievement on the basis of current industry findings and new studies.

Our products and services with sustainability recognition make a significant contribution to ecological and social sustainability. Their added value is verified by independent partner organisations (Pro Familia and myclimate). A list of the relevant products can be found on the Internet. We attach great importance to highlighting the sustainability messages relating to our products and services in our communications, thus helping to raise public awareness.

Our services enable flexible working, the reduction of travel and logistics trips, the lowering of power consumption and the efficient and safe use of digital media. Here you will find an overview of our sustainable ICT offerings:

☉ See [www.swisscom.ch/sustainableproducts](http://www.swisscom.ch/sustainableproducts)

#### For residential customers

- **Online bills:** online bills are an environmentally friendly alternative to paper bills and save money and time. The proportion of our customers who receive their bills online grew to 56% (2019: 48%).

☉ See [www.swisscom.ch/billonline](http://www.swisscom.ch/billonline)

- **Energy-optimised operation of end devices:** the energy consumed by customer devices can be extrapolated to 287 GWh (2019: 304 GWh) based on the power consumption of each device and typical usage profiles. We would like to reduce this amount and draw the attention of our customers to the numerous energy-saving possibilities. On our website, for example, we recommend the appropriate settings for energy-optimised operation of devices. We also provide information on the energy consumption of end devices such as Internet and TV boxes.

☉ See [www.swisscom.ch/save-energy](http://www.swisscom.ch/save-energy)

- **blue TV:** despite steady growth in customer numbers for blue TV, we have gradually reduced the energy consumption of all TV boxes in operation. In 2020, the TV boxes together required 59 GWh. This was achieved thanks to extensive efficiency improvements in the box and its operating system.

☉ See [www.swisscom.ch/tv](http://www.swisscom.ch/tv)

- **Routers:** we 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. It 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. The Internet Box 3 also means fewer devices are used in home networks because it replaces the multiple devices that used to be required to connect computers, TVs and HD fixed-line telephony wirelessly, thereby significantly reducing energy consumption.

☉ See [www.swisscom.ch/router](http://www.swisscom.ch/router)

- **Climate-compensated smartphones:** in 2020, a climate-neutral smartphones pilot involving four Swisscom shops was launched. In cooperation with our partner South Pole, we offer our customers the opportunity to offset the CO<sub>2</sub> emissions of their smartphone. These occur during production, operation and disposal.

☉ See [www.swisscom.ch/compensation](http://www.swisscom.ch/compensation)

- **Swiss Climate Challenge:** we have launched the Swiss Climate Challenge (SCC) together with Energy Switzerland, Engagement Migros and South Pole. SCC raises public awareness of climate-friendly mobility by means of apps. Some 14,000 users are already participating in SCC, thereby reducing their CO<sub>2</sub> footprint. In an accompanying research project, ETH Zurich is investigating the impact on the reduction of the personal footprint.

☉ See [www.swissclimatechallenge.ch](http://www.swissclimatechallenge.ch)

- **Smart mobility with autoSense:** the autoSense IoT platform from our joint venture with AMAG and Zurich Insurance assists car owners in networking their vehicles. In addition to services related to servicing and repairs, autoSense provides feedback and recommendations relating to your personal driving style.

☉ See [www.autosense.ch](http://www.autosense.ch)

- **Smart energy with tiko:** tiko Energy Solutions Ltd, in which Swisscom holds a minority interest, enables its residential customers to use technology to manage the energy consumption of their heat pumps, electric heaters and boilers. tiko sun, for example, increases the consumption of self-produced energy from the customer's own photovoltaic system, and deliber-

ately puts heat pumps or boilers into operation as soon as solar power is produced.

☉ See [www.tiko.ch](http://www.tiko.ch)

### For business customers

- **Work Smart:** collaboration platforms with video, chat and filing functions allow people to work from home or on the go. The relevance of these technologies has been demonstrated during the Covid-19 pandemic in particular, e.g. for coping with the home office and home schooling. As a funding member of the Work Smart initiative, we contribute to the promotion of Work Smart in Switzerland and make our experience and knowledge available to other companies.
- **Virtual conferences:** conferencing services enable location-independent and interactive collaboration with employees, customers and partners around the world. With virtual conferences, numerous business trips can be avoided and commuter traffic reduced. This saves time and massively reduces CO<sub>2</sub> emissions.
- **Data centre services:** by offering the server infrastructure in our efficient data centres and our cloud services, we help businesses improve efficiency, security and scalability, while saving energy and costs.
- **Dematerialisation:** various collaboration solutions support paperless work and reduce paper consumption.

☉ See [www.swisscom.ch/billonline](http://www.swisscom.ch/billonline)

- **Swisscom Smart City:** networked and smart devices and applications help buildings and transport systems to be operated more efficiently. For example, with the smart control of heating systems, boilers, solar installations and batteries we enable corporate customers to lower their energy consumption, reduce their CO<sub>2</sub> emissions and produce balancing energy. Furthermore, the networking and remote monitoring of plants and vehicles make it possible to reduce the logistics costs of companies and cities. For example, networked waste containers optimise collection routes within city limits. These IoT solutions are mostly developed and marketed by innovative SMEs and start-ups.

☉ See [www.swisscom.ch/smartcity](http://www.swisscom.ch/smartcity)

- **IoT Climate Award:** to provide an incentive for the development and dissemination of innovative IoT solutions, we launched the IoT Climate Award in the year under review. With this award we honour climate-friendly IoT solutions. Winners of the award in 2020 were Cadec for its remote control of heating systems in holiday homes, Sensile for its remote monitoring of gas and oil tanks and Avelon for its monitoring and optimisation of heating, ventilation and cooling systems.

☉ See [www.swisscom.ch/iotclimateaward](http://www.swisscom.ch/iotclimateaward)

- **Mobility analyses of companies, cities, municipalities and events:** on the basis of anonymised mobility data, we create mobility analyses that can be used by

companies, cities, municipalities and events to optimise transport planning. In the year under review, we analysed anonymised mobility data from the mobile network for the first time so that multiple companies can record their CO<sub>2</sub> emissions from business and commuter traffic, evaluate the efficiency of their work smart culture and plan new solutions, for example in the field of electromobility.

☉ See [www.swisscom.ch/mip](http://www.swisscom.ch/mip)

- **Myni Gmeind:** the association Myni Gmeind is a collaboration between the Association of Swiss Municipalities, Swisscom, Swiss Post, Cisco and Academia. With the help of digital solutions, we strengthen the attractiveness and sustainability of municipalities. In the year under review, for example, we conducted a campaign to promote video conferencing in municipalities and set up mountain hubs for smart working in pilot municipalities. During the lockdown, we supported municipalities with a video conferencing campaign.

☉ See [www.mynigmeind.ch](http://www.mynigmeind.ch)

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

☉ See [www.swisscom.ch/sustainableproducts](http://www.swisscom.ch/sustainableproducts)

## Use of resources and circular economy

### Management approach

It takes not only energy but also a multitude of other resources, such as land and water, etc. to operate telecommunications networks. Careful handling of these makes sense from an economic perspective and is essential from an ecological point of view. We therefore continuously develop our operational environmental compatibility and our sustainable use of resources in accordance with ISO 14001. We intend to reduce or stabilise consumption in our operations.

The resources used by us and our suppliers are finite and in some cases scarce. Therefore, the choice and application of materials plays a central role. The longer a resource is used, the more eco-friendly it is. Manufacturers, retailers and telecommunications companies have become aware that the linear economy, however efficient it may be, must gradually be replaced with a completely closed circular economy throughout the value chain. This extends the lifetime of resources, reduces waste and greenhouse gas emissions, and thus effectively takes pressure off the environment.

Based on the commitments of our sustainability and supply chain strategy, we have prepared an internal circular economy analysis. The analysis structures the business activities and framework conditions, and also reveals strengths and action areas. The analysis has shown that we are very well positioned with the take-back and second-life programmes (e.g. Swisscom Mobile

Aid). There is potential for improvement with the circular economy compatibility of our own products and through greater transparency in network dismantling. A working group, consisting of internal experts and led by the sustainability team, is dedicated to the implementation of the knowledge gained. This 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.

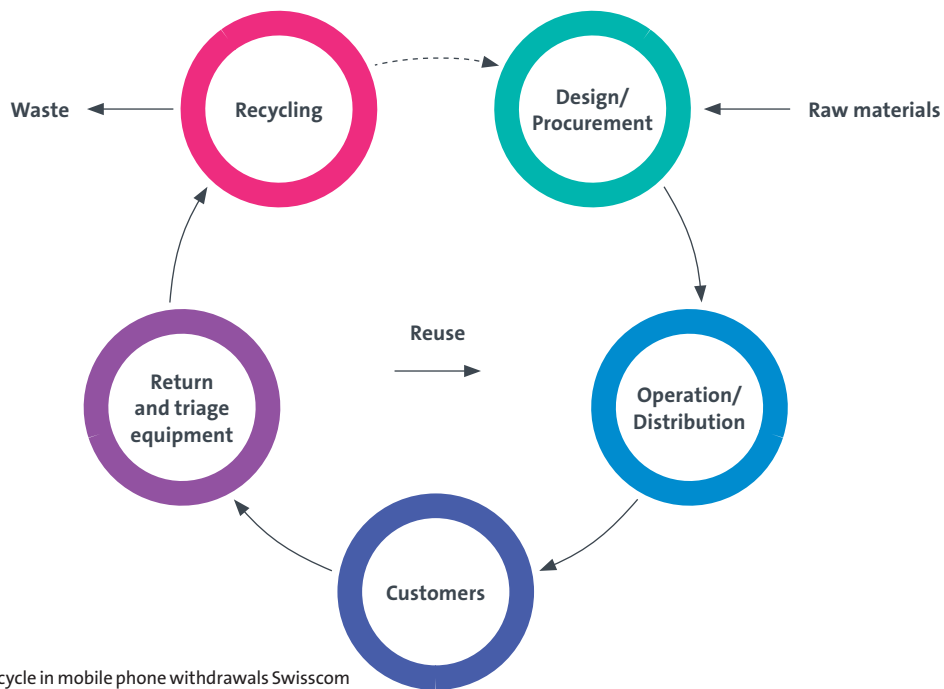
We can play a relevant role in the circular economy on the Swiss market as a supplier of merchandise (mobile phones, etc.) and self-developed and branded devices (e.g. TV and Internet boxes) and also as a network operator. Our innovations give customers access to better products and services and eliminate the need for out-

dated platforms. An example of this is the dismantling of the previous TDM transmission technology: the existing analogue fixed network is no longer needed after the complete migration to All IP. In keeping with circular economy principles, we will return its components to the cycle instead of disposing of them. In the year under review, we also collected used mobile devices via companies, offered second-hand devices for purchase and improved the logistics for returning faulty equipment.

### Circular economy in practice

#### Measures

We enable resources used in our operations to be returned to the cycle via our recycling, repair and reuse initiatives and provide our customers with straightforward offers for the reuse of materials and resources.



### Sustainable resources for own products

In-house products are devices that bear the Swisscom logo (e.g. TV boxes and routers).

For our own products, we strive continuously to use new, more sustainable materials that are reused from other sources. We have 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 the year under review, we continued to work on making our own products more sustainable and compliant with circular economy principles.

### Repairs

If a device happens to be faulty, we offer on-site repairs within 24 hours at our nine repair centres. We even provide an express service for repairs within three hours for an extra fee. One in five mobile phones purchased from us will be repaired by us 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 our certified specialists involved and the use of original parts. In 2020, we repaired 16,600 mobile phones at our repair centres. This corresponds to 22% of the total repairs we receive.

### 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 "ReThink" website, we outline tips on how to reuse packaging. This makes it easy for our customers to reduce the amount of their waste.

☉ See [www.swisscom.ch/rethink](http://www.swisscom.ch/rethink)

We have also further developed our packaging concept to facilitate reuse. The ReBox packing box without any branding on it can be reused independently. We tested it with the Internet Box 3 and are now gradually adapting it to suit our other proprietary products.

In the year under review, we sent 1.187 million parcels to our customers via our logistics partner ALSO. Of these, 612,000 had outer packaging. The shipping packages are designed to protect the product in the best possible way. They are constantly being optimised. In the year under review, more than 95% of the outer packaging no longer required any additional filler. This is very welcome from an ecological point of view.

### Return of materials

In 2020, we further improved the "Take me back" programme introduced in the previous year. This complements the existing options in reverse logistics. Selected routers in the case of assurance and replacement contain return labels for the return shipment of faulty devices. This means that equipment can be collected by the postal service from the customer's own mailbox. The increased

comfort for customers is leading to a rising return rate: at the end of 2020 it reached 48%. We are planning to offer "Take me back" for other product categories.

☉ See [www.swisscom.ch/material](http://www.swisscom.ch/material)

### "Refreshed smartphones"

We successfully launched the new "refreshed smartphones" offering in mid-2020. We now offer used second-hand devices in our online shop. Most of these devices come from our Buyback and Buyback Business programmes, with which we buy back old devices. Extending the service life of the devices makes a lot of sense from an environmental point of view. The growing customer interest in "refreshed smartphones" comes from both price-sensitive and environmentally conscious customer groups.

☉ See [www.swisscom.ch/refreshed](http://www.swisscom.ch/refreshed)

### Swisscom Mobile Aid and Mobile Aid Business

Returned functional devices have the potential for reuse. In 2020, Swisscom Mobile Aid collected 90,000 used mobile devices that had been returned by consumers. We sell 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 go 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 ones, 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 (SOREC) together with Dock Gruppe AG. Dock Gruppe AG helps long-term unemployed people to reintegrate into the workforce. Compared with the previous year, the response rate fell slightly to 15.5% (2019: 15.9%).

☉ See [www.swisscom.ch/mobileaid](http://www.swisscom.ch/mobileaid)

In the year under review, we adapted our logistics processes to introduce the Mobile Aid Business offering. Companies can now work with their employees to collect old mobile phones for Mobile Aid. They then receive an evaluation of the success of the collection and communications from SOS Kinderdorf Switzerland on how the proceeds will actually be used for children in need.

☉ See [www.swisscom.ch/mobileaidbusiness](http://www.swisscom.ch/mobileaidbusiness)

### Dismantling of network infrastructure

In the year under review, we newly awarded the recycling of raw materials to Thommen AG Regensdorf. It records recycling more uniformly across the entire company and processes it more efficiently. With greater transparency of goods flows and quantities, we obtain a better basis for decision-making for the divisions.

In places where we install new, more powerful networks, we also regularly dismantle old network infrastructure. In June 2020, the last customers were migrated to IP. Thus, the All IP project was successfully completed and the dismantling of the old platforms that are no longer required was started. This dismantling work will create a lot of empty spaces which will either be returned to landlords or used by us for new purposes. The (reusable) materials produced in the process will be either reused, resold to other providers or recycled. Unlike with new technologies, the previous material and space requirements were much greater. This is why much more material is currently accruing for recycling than in recent years. With the completion of the dismantling of the material-intensive platforms (TDM), the quantities to be recycled will also decrease. In the year under review, we dismantled and recycled 1,286 tonnes of iron, 140 tonnes of aluminium, 763 tonnes of cable and 437 tonnes of electrical waste and printed circuit boards. In some cases, we sell the materials in granular form to companies that recover silver, gold, palladium, copper and nickel from them. We use some components ourselves or sell them to other, usually foreign, network operators. Both reuse (of components, e.g. as spare parts) and resale (of entire systems or parts thereof on the market to other providers) reduce the general demand for newly manufactured parts and thus lower the environmental impact.

## Recycling

Wherever possible, we reuse materials that have already been used in the office and in the company, e.g. recycled paper and rainwater, our own waste heat and district heating. At our headquarters, for example, we use district heating from a nearby purification plant. The recycling category in the waste categories table comprises the following materials which are accumulated during operations: metals (copper, iron, aluminium), paper and card-

board, plastics (PET, PE, PP) and toner cartridges. These materials are fed into a new cycle outside Swisscom.

## Economical use of resources

In addition to our energy-saving measures, we also endeavour to reduce the use and consumption of other resources in our operations or at most to keep them at the same level as in the previous year. The following principles are essential for us in terms of environmental protection: whenever possible, we avoid the use of short-lived materials. We favour the use of substances with no or little impact on the environment and ensure that they are integrated into an economic cycle (see “Circular economy”).

## Impact of the COVID-19 pandemic

The increased use of working from home in the wake of the Covid-19 pandemic had an impact on the consumption of resources in the year under review. Far less paper was consumed, for example. Water consumption also decreased, and there was less waste. The number of business trips fell. Almost no change was observed in the heating of the buildings, as the offices were heated regardless of the number of users.

## Paper

We are massively reducing paper consumption thanks to the complete digitisation of work processes in the company and at our customers. In everyday office life we have reduced the number of print jobs with the “FollowMe Printing” service, and externally we promote paperless online billing. Since our offices are not yet completely paperless, we use recycled paper with the Blue Angel environmental label. From such paper we also make the telephone directories, whose circulation is declining. For advertising and print media, we use only paper with the FSC label.

In tonnes	Quality	2018	2019	2020
<b>Paper</b>				
Office (copiers, printers) (80 g/m <sup>2</sup> = 5 g/sheet)	Blue Angel <sup>1</sup>	69	59	42
Print media	FSC Label	1,710	1,488	1,201 <sup>2</sup>
Bills and envelopes (envelopes = 6 g/per envelope)	FSC Label <sup>3</sup>	362	307	232
Phone directories	Blue Angel	1,567	1,383	1,197
Total paper consumption		3,708	3,237	2,672

<sup>1</sup> 95%

<sup>2</sup> Derived from experience from the previous year or on the basis of the previous year's order volume, converted (2020).

<sup>3</sup> 88% Blue Angel, 12% FSC Label



## Cables, optical fibres and telephone masts

We have modified the materials used in the fixed network. The laying of optical fibres in plastic pipes made of environmentally friendly polyethylene up to the street or even to the building enables broadband usage of the existing copper cables over the last few metres. Wherever possible, we replace copper cables in the distribution network with optical fibres. We are not installing any new large-wire copper cables in the trunk zone.

In mountain regions, the number of telephone masts is rising on the back of the network expansion. To prolong their service life, we treat them with a biological process that naturally combats copper-resistant rot fungi. At the same time, we are reducing the number of faulty masts due to regular checks.

in km, tonnes or number	Unit	2018	2019	2020
<b>Consumable material</b>				
Optical fibre	fkm <sup>1</sup>	1,318,293	1,124,379	1,178,491
Copper pairs	pkm <sup>1</sup>	54,750	47,830	37,931
Plastic pipes PE	km	395	359	351
Copper <sup>2</sup>	Tonnes	629	575	504
Plastic pipes PE <sup>2</sup>	Tonnes	355	322	318
Telephone poles (wood)	Number of items	6,585	6,437	5,250

1 Fibre- respectively pair km

2 Converted from plastic pipes, respectively copper pairs

## Water

We need water for the sanitary facilities in our office buildings and for cooling some data centres. In the year under review, the daily average water consumption in our office buildings was 40 litres per FTE. This calculation is based on a monthly measurement in our main building. The measured amount is extrapolated to the number of average full-time positions. The measurement covers more than half of Swisscom's FTEs and is therefore representative.

In order to reduce water consumption in our offices, the water pipes in existing buildings have been retrofitted with flow limiters. During renovation work, advanced valves with a reduced flow rate are integrated, which lower the consumption of water by 90% compared with traditional valves.

Our data centres generate a lot of heat and must be cooled in order to function properly. For this purpose, we use dry or hybrid cooling. For the latter, we prefer to use rainwater or, if permitted, river/lake water. We add an anti-freeze agent (glycol) with a low environmental impact to the heat transfer medium during the winter. At the data centre in Berne Wankdorf, the share of rainwater used for cooling return air must be over 80%. Operation of the return air coolers using water must not exceed 15% of the total annual operating time. 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 consumption for cooling thus accounts for only a small proportion of our total water consumption.

## Cooling systems and refrigerants

We cool our operation buildings and mobile base stations with outside air all year round if possible so that we do not need cooling systems or additional coolants. In

collaboration with an external company, we have installed a cooling module for the mobile base stations that allows a rapid and cost-effective conversion to cooling with fresh air.

Data centres and very densely packed centres, where the high heat load and the unfavourable room situation make cooling with fresh air difficult, are cooled with coolants in compression cooling systems. Checks are carried out regularly to make sure that there are no refrigerant leaks in the systems. We use natural low GWP refrigerants (type HFO-1234ze) with an extremely low global warming potential (GWP = 7) as standard for their conversion or expansion. The quantity of refrigerant emissions in the year under review was determined on the basis of the refill volume. This has a global warming potential of 35.9 tonnes CO<sub>2</sub> (prior year: 153) and no ozone-depleting potential (ODP, 0 kg R-11 equivalent).

© See [www.swisscom.ch/climatereport2020](http://www.swisscom.ch/climatereport2020)

## Batteries and emergency power systems

Our services must also be available in the event of power outages. To ensure this, batteries and emergency power systems have been installed at our telecommunications buildings and data centres. We regularly review 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 service life, we dispose of or recycle the batteries 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 our fuel consumption.

## Waste

We undertake to avoid waste and select products based on their life cycle. Our recycling management includes working with partner companies to ensure that waste is

reused wherever possible. The volume of waste is on a downward trend, and the majority of waste is recycled.

Waste is categorised according to the Ordinance on Handling Waste (VeVA) (six-digit waste codes) 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 [14 06 01], batteries [16 06 01/16 06 98], old wooden telephone masts [17 02 97] and fluorescent lighting tubes [20 01 21]). The waste is separated into 25 sub-categories. We record the corresponding data. If there is a maintenance agreement with authorised third parties, these dispose of the special waste. We do not

record information on such waste. This includes used oil [13 03 07] and scrap wood from construction sites [17 02 97]. Leftover cables and building materials are sorted on the construction site and disposed of directly. Other special waste is disposed of in accordance with the legal provisions described on the FOEN website.

The volume of in-house household waste is calculated by extrapolating the actual figures recorded in 2020 at six major Swisscom locations throughout Switzerland. We multiply the calculated average volume of 15 kg per FTE by the total number of full-time positions. For the disposal of such waste, there are contracts in place with Swiss Waste Exchanges and other external partners.

In tonnes	2018	2019	2020	2020 in %
<b>Waste categories</b>				
Recycling	2,749	3,008	2,059	46.2%
Domestic waste disposal in incineration plants	695	623	225	5.0%
Operational waste disposal in incineration plants	923	1,168	2,149	48.2%
Special waste	18	23	28	0.6%
<b>Total waste</b>	<b>4,385</b>	<b>4,822</b>	<b>4,461</b>	<b>100.0%</b>

### 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 the antennas, we focus 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. We make sure that as little surface area is sealed as possible. In the search for a suitable location we visit the possible sites and take into account the inventories of sensitive locations and buildings. In the year under review, we 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 (protected areas for the preservation of particularly precious habitats and species) 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). When dismantling decommissioned transmitter stations, we restore the ground to its natural state in accordance with internal guidelines issued by Swisscom Broadcast Ltd. In the year under review, we dismantled three stations and restored the ground affected to its natural state.
- **Swisscom (Switzerland) Ltd base stations:** 74 mobile radio base stations (two more than last year; equivalent to 1.52% of the 4,851 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. One of the aforementioned new structures in 2020

was erected in an Emerald area in Upper Aargau; the other stands in moorland near Lucomagno Dötra.

### Biodiversity

We support partners who work to protect the soil and biodiversity. This support takes the form of financial assistance, but also direct assistance in the shape of the personal efforts of our employees on site as part of the corporate volunteering programme “Give&Grow”. In the year under review, our employees clocked up a total of 386 volunteer days (prior year: 719) for nature and landscape conservation. Due to the Covid-19 pandemic, there were significantly fewer engagements than usual.

### Other air emissions

Besides CO<sub>2</sub> emissions, burning fossil fuels for heating and transport also produces NO<sub>x</sub> and SO<sub>2</sub>. These emissions are determined using the relevant conversion factors and depend on the amount of vehicle fuel and heating fuel consumed. Our reduction target for CO<sub>2</sub> also applies to NO<sub>x</sub> and SO<sub>2</sub>, since all three gases originate from the same combustion processes (heating or engines). We are reducing their emissions by continually optimising heating boilers and using more efficient drive motors. The emissions are listed in the table of environmental key figures.

## Environmentally friendly and climate-compatible supply chains

We procure goods and services worth over CHF 2.6 billion a year. We are committed to fair and efficient partnerships with suppliers who share our social and environmental objectives and our values. International

initiatives help us to ensure that measures are implemented in close collaboration with our suppliers.

### Partnerships for green procurement

The following section highlights the partnerships for sustainable procurement with regard to environmental aspects. For details of our social responsibility in supply chains, (see “Fair supply chains”).

### Carbon Disclosure Project

In the year under review, we continued to develop our cooperation with the Carbon Disclosure Project (CDP). This not-for-profit 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 with regard to CO<sub>2</sub> emissions, climate risks, and reduction goals and strategies. The CDP maintains the world’s largest database of this kind.

As part of our cooperation with the CDP, we contacted and surveyed 78 (prior year: 77) of our key suppliers. The companies surveyed have a high order volume or a high degree of environmental relevance. They cover 61% of the order volume. The response rate was more than 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 also used as a basis on which to comprehensively assess our key suppliers. We have also, through this programme, disclosed our own commitment to climate protection to 87 customers.

Our supply chains are responsible for the bulk of our CO<sub>2</sub> emissions. Scope 3 emissions in the supply chains therefore play a fundamental role in climate protection. With the emissions data from suppliers, the CDP gives us a reliable basis for determining the carbon footprint and reduction targets for our company (Science Based Targets) as well as for selected key suppliers.

☉ See [www.cdp.net](http://www.cdp.net)

### 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 SDGs.

We work within the GeSI framework in a variety of projects, e.g. to promote fair supply chains and the circular economy. We also play an active role in various GeSI sustainability projects. These projects include, for example, the “Digital with Purpose” initiative launched in 2019 based on the SMARTer2030 Report and the establishment of the Innovators Network to Enable Human Rights (INHR). As part of the Better World Program, we help selected suppliers to implement best practices in the area of corporate responsibility.

☉ See [www.gesi.org](http://www.gesi.org)

### Better World Program / Supplier Development Program

We work in partnership with our suppliers so that they can meet the high sustainability requirements. With this in mind, we are involved in the Supplier Development Program (SDP) for strategically important suppliers. Over the past two years, we have worked with participants to develop solutions in relation to issues such as environmental protection, working time regulations and health and safety. Since 2019, the development programme has been running as an industry approach under the umbrella of GeSI.

A major innovation of the SDP industry approach is an online tool that facilitates the collection and evaluation of sustainability-relevant data. In addition, the tool enables a simple and effective measurement of the success of all SDP activities using various key figures. This makes contributions to individual SDGs visible. After the SDP participants themselves have successfully completed the development programme, they can use it independently and apply it to their suppliers. In this way, the programme has an impact on downstream stages of the supply chains.

We expect that the supplier programme will produce results at our new suppliers that are similar to the results for those who participated in last year’s programme. It not only brought them social and ecological improvements, but also economically measurable benefits: better working conditions reduce staff absenteeism, have a positive effect on their motivation and increase their productivity. All this also improves the quality of the products, which in turn reduces the number of complaints. Environmental improvements include resource savings, for example in energy and water consumption.

☉ See [www.gesi.org](http://www.gesi.org)

### Promoting the circular economy in the supply chains

Within the framework of our cooperation with the JAC initiative and GeSI, we participate in two circular economy task forces. These are committed to more recycling in the manufacturing industry and include circular economy criteria in common tendering procedures and joint JAC audit guidelines. Both task forces cooperate with international expert bodies such as the International Telecommunication Union (ITU) and the Circular Economy Partnership (CEP).

## Overall assessment of 2020

### Energy consumption and climate footprint

The following overview summarises our key figures for the year under review. They provide information on the status of achievement of our climate targets. Detailed information can be found in the 2020 Climate Report.

☉ See [www.swisscom.ch/climatereport2020](http://www.swisscom.ch/climatereport2020)

## Energy consumption and efficiency

Our total energy consumption in Switzerland was 546 GWh (prior year: 563 GWh). Total consumption is made up of 88% electricity, 7% heating fuels and 5% vehicle fuels. Thanks to the efficiency measures implemented, the avoidance of energy consumption amounted to 55 GWh. The cumulative efficiency since 1 January 2016 is 38%. The target for 2020, set in 2015, has thus been reached.

We calculate efficiency as the ratio of total energy used and cumulative energy saved or avoided to total energy consumption. We hereby follow 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 the year under review, we again used 100% electricity from renewable energies and thus met our target here as well. Thanks to the use of electricity from renewable sources, the declining consumption of fossil fuel and offsetting for the remaining consumption, the share of renewable energy (electricity, biomass and district heating) was 89.8% (prior year: 88.8%).

## Greenhouse gas emissions

We maintain a greenhouse gas inventory, publish our emissions in a Climate Report according to recognised standards (ISO 14064 and Greenhouse Gas Protocol [GHG]), and have these verified externally.

### Scope 1 emissions

Direct emissions, under Scope 1, from the combustion of fossil fuels for heating and mobility and from refrigerants amounted to 14,420 tonnes of CO<sub>2</sub>, including 36 tonnes (prior year: 153 tonnes) as fugitive emissions from the loss of refrigerants.

### Scope 2 emissions

Scope 2 emissions from electricity and district heating consumption before offsetting (on site) amounted to

54,001 tonnes of CO<sub>2</sub>. We offset this by purchasing certificates of origin. So, under Scope 2, we did not emit any CO<sub>2</sub>.

### Scope 3 emissions

Scope 3 emissions (all indirect CO<sub>2</sub> emissions, for example in the supply chains) amounted to 301,000 tonnes of CO<sub>2</sub>. Emissions in the supply chains for the categories of purchased goods and services (category 1), capital goods (category 2) and transport and distribution to distribution centres (category 4) account for the greatest share of our Scope 3 emissions. Fastweb emissions are included in category 15. The categories of processing of sold products (category 10), downstream leased assets (category 13) and franchises (category 14) were not relevant as we did not manufacture any products, did not maintain any distribution centres and did not operate any franchises.

### CO<sub>2</sub> savings due to ICT services

Our customers save CO<sub>2</sub> by using our offerings. These savings amounted to 895,092 tonnes of CO<sub>2</sub> in 2020 (see "Climate protection solutions for our customers"). Use of ICT services has increased significantly because of coronavirus and working from home.

### Carbon footprint

Our total emissions including those in our supply chains amounted to 312,173 tonnes of CO<sub>2</sub> in the year under review. Thanks to our portfolio of products and services, we were able to avoid 895,092 tonnes of CO<sub>2</sub> together with our customers. The ratio between savings and emissions was 2:87. The difference between savings and emissions was 582,919 tonnes of CO<sub>2</sub>, which corresponds to 1.26% of Swiss emissions.

### CO<sub>2</sub> intensity

We have continually reduced our CO<sub>2</sub> intensity in recent years. Intensity is calculated by the EnAW on the basis of our consumption statistics.

## Environmental key figures in Switzerland

	Unit	2018	2019	2020
<b>Land/buildings</b>				
Net floor space (NFS)	million m <sup>2</sup>	0.93	0.92	0.91
<b>Paper consumption</b>				
Total paper consumption	Tonnes	3,708	3,237	2,672
<b>Water/sewage</b>				
Water consumption <sup>1</sup>	m <sup>3</sup>	182,424	182,135	130,647
<b>Waste</b>				
Total amount of waste	Tonnes	4,385	4,822	4,461
<b>Mobility</b>				
Vehicles	Number	3,040	2,249	1,736
Kilometers driven	million km	53.4	52.5	40.6
Average CO <sub>2</sub> emissions <sup>2</sup>	g per km	104.0	101.0	100.0
<b>Energy, electricity</b>				
Electrical energy consumption <sup>3,4</sup>	Terajoule	1,747	1,763	1,725
	GWh	485	490	479
of which electricity for the heat pumps	GWh			1.1
of which electricity for cooling (district cooling)	GWh			0.2
<b>Energy, thermal (heat/cooling)<sup>5</sup></b>				
Heating oil	Terajoule	69.1	72.1	69.6
Natural gas <sup>6</sup>	Terajoule	27.3	28.3	28.6
Biomass <sup>7</sup>	Terajoule	1.1	1.2	1.1
District heating <sup>8</sup>	Terajoule	37.2	35.7	37.9
District cooling	Terajoule			2.7
Total thermal	Terajoule	134.8	137.4	139.9
<b>Energy, fuel<sup>9</sup></b>				
Petrol	Terajoule	16.8	17.1	13.7
Diesel fuel	Terajoule	110.9	108.4	88.6
Natural gas	Terajoule	0.2	0.4	0.3
Total fuel	Terajoule	127.8	125.9	102.6
<b>Energy, total</b>				
Energy consumption	Terajoule	2,009	2,027	1,964
	GWh	558	563	546
<b>Air emissions</b>				
Carbon dioxide CO <sub>2</sub> -eq according to Scope 1 of the GHG Protocol <sup>10</sup>	Tonnes	16,171	16,295	14,420
Carbon dioxide CO <sub>2</sub> -eq according to Scope 2 of the GHG Protocol ("market-based") <sup>10</sup>		1,052	–	–
Carbon dioxide CO <sub>2</sub> -eq according to Scope 2 of the GHG Protocol ("location-based") <sup>10</sup>	Tonnes	59,220	55,702	54,001
Nitrous gases NO <sub>x</sub> <sup>11</sup>	Tonnes	13.9	15.0	11.2
Sulphur dioxide SO <sub>2</sub> <sup>12</sup>	Tonnes	2.3	2.4	0.9

1 The water consumption (with cooling water) is extrapolated on the basis of the average rate of 47.8 litre per FTE per day (before 2020) resp. 24.25 (2020).

2 Average emissions per kilometre refer to manufacturer's indications, according to the NEDC method.

3 Energy conversion: 1 terajoule (TJ) = 0.278 gigawatt hours (GWh).

4 Electricity 100% renewable (non-renewable part of the mix compensated with proof of origin)

5 The heating energy consumption is based on a forecast of monthly measures of the consumption of 120 buildings from 2018 (with a total area share of 53%). The delivery of heat is not included in the calculation of total energy consumption.

6 Biogas (~10% renewable) included

7 renewable

8 District heating 100% renewable (non-renewable share of the mix compensated with proof of origin)

9 The fuel consumption was adjusted from private use. The km driven, energy consumption and the air emissions were adjusted accordingly.

10 Scope 1: direct CO<sub>2</sub> emissions from fossil energy consumption and loss of refrigerants. Scope 2: indirect CO<sub>2</sub> emissions from purchased energy (electricity and district heating). Swisscom publishes a complete climate report in accordance with ISO 14064. GHG Protocol = Greenhouse Gas Protocol

11 From Mobitool ([www.mobitool.ch](http://www.mobitool.ch)), car traffic, national 5-200 km, direct use, load factor 1.25; consumption 5.5 litres per 100 km (2018), 5.2 (2019) and 5.0 (2020).

12 Emission factor SO<sub>x</sub> according to the final report of 24.11.2017 "Pollutant Emissions from Road Transport 1990-2050", Infras, commissioned by FOEN, update 2010, Annex 6, p. 135, PW and fact sheet "Emissionsfaktoren Feuerung", FOEN, June 2015.

# Ready for Switzerland

In international studies on infrastructure and digitisation, Switzerland repeatedly ranks among the top countries. The reasons for this are secure and high-performance access to the Internet as well as free Internet access for all schools in the country. We are very proud of this. Our reliable supply of high-performance broadband connections forms the basis for a digital Switzerland with innovative business segments, mobile working and entertainment. It also allows us to provide important services for sensitive areas such as healthcare. This extraordinary year 2020 has clearly shown the value of this infrastructure: during the lockdown, the demand for telecommunications services in Switzerland rose sharply. With additional data volumes, home office solutions and roaming credits, we stood by our customers in these challenging times.

## Broadband coverage

### Management approach

Our investments in digital infrastructures not only create CHF 4.6 billion a year of added value for ourselves, but also indirectly make an important contribution to Switzerland's future and its ability to compete. The Swisscom network is at the very heart of our company. In addition to the nationwide basic service, we provide Switzerland with particularly powerful and fast broadband technologies. This underpins our services and the support we provide to Switzerland as well as its population and companies in discovering new digital possibilities.

The IT, Network & Infrastructure division is responsible for expanding our network. The approximately 3,600 employees of this division ensure that we offer our customers an optimal mix of technologies and that they can easily make the most of their opportunities in the networked world.

In order to keep up with the rapidly increasing data traffic, further expansion of the network is essential. Our goal is to be the first telecommunications provider in Switzerland to make innovations available to our customers. By the end of 2021, for example, we are aiming to supply 90% of Swiss homes and businesses in building zones with speeds of at least 80 Mbps via the fixed network, and by the end of 2025 we want to double the coverage of the fibre-optic network (FTTH) compared with the start of 2020. The first step towards a sustainable infrastructure has already been taken: Since the end of 2019, we have been providing 90% of the Swiss population with a basic version of 5G, and by the end of 2020 we offered the full version of 5G (5G+) in 522 locations.

### Network and infrastructure

Cities and villages, remote alpine huts and industrial buildings – in short, the whole of Switzerland should be able to benefit from the digital world. We rely on a mix

of technologies so that we can introduce new services quickly in the future and thus always have our finger on the pulse. The All IP transformation has been completed after twelve years. In the fixed network, we have pushed ahead with the strict separation of access technologies and services. Our innovative architecture also enables us to renew all components, from the core network to the connection. Advanced technologies like the Internet Booster help to increase bandwidth in places with less than ideal coverage. Thanks to our network, by the end of 2020 over 4.4 million (more than 82%) of homes and offices were benefiting from bandwidths of at least 80 Mbps, with 3.2 million (over 59%) even exceeding 200 Mbps.

The 5G expansion continues to progress and is bringing the urgently needed additional capacity to the mobile network. By the end of 2019, 90% of the Swiss population had been provided with basic 5G coverage. The full version of 5G is based on the new 5G frequencies (3.5 GHz), while the basic version uses the mobile spectrum that was acquired years ago.

We were also able to present groundbreaking innovations in 2020. Using a specially developed antenna corridor, we successfully achieved transmission speeds of over 1 gigabit per second in a moving train on a test track at Lake Walen. This was done by pooling 4G and 5G. The result is a benchmark for the entire mobile communications industry because good reception on trains is the ultimate in network construction. An equally important milestone was the first voice call with commercially available devices over 5G in a 5G-only environment.

Our mobile network currently supplies 99% of the Swiss population with 4G and 3G coverage. More than 99% surf at speeds of up to 300 Mbps, over 96% at speeds of up to 500 Mbps, and some 55% at speeds of up to 700 Mbps. International independent tests show that

our mobile network regularly occupies a leading position within Switzerland as well as in comparison with Germany and Austria. In 2019/2020, we once again won relevant network tests (performed by connect, Chip and Ookla).

At the beginning of 2020 we experienced several major network faults. In addition to providing information to the authorities and the public, we informed the two competent parliamentary commissions (TTC) in detail about the incidents and the measures taken. An external audit enabled us to identify weaknesses, reduce network complexity and make organisational adjustments. A special focus was also placed on the improvement of multiple safeguards (redundancies) for emergency call services.

### Network expansion and dismantling

Bandwidth requirements in the Swiss fixed and mobile telephone networks are growing all the time. We therefore invest around CHF 1.6 billion in IT and infrastructure in Switzerland every year in order to maintain our high level of service provision. This is the highest investment of any provider in Switzerland. By doing this, we make a substantial contribution to one of the best IT and telecoms infrastructures worldwide. In the EU Commission's annual study "Broadband Coverage in Europe", Switzerland ranked second behind the densely populated island state of Malta in the 2019 reporting year for high bandwidth connections exceeding 100 Mbps.

Good mobile and fixed network coverage is key to a successful Switzerland. In the most recent international comparison of broadband coverage, Switzerland was outstanding. Almost every Swiss person already benefits from ultra-fast broadband networks.

Switzerland's coverage is excellent compared with that of other European countries. In terms of high bandwidth connections exceeding 100 Mbps, Switzerland ranks among the top countries with coverage of just under 99% of all homes (EU average: 68.4%). Switzerland is therefore clearly exceeding the objectives of the EU's "Digital Agenda for Europe 2020".

For fibre-optic coverage (FTTP) too, with 40.9% of households connected, Switzerland is above the EU average of 33.5%. Its better coverage of rural areas, by European comparison, is striking: according to the study "Broadband Coverage in Europe 2019", around 94% of rural Switzerland can surf with bandwidths of at least 30 Mbps. This is considerably more than in the EU. Less than 60% of rural areas in the EU even receive 30 Mbps. This leading position is a consequence of strong infrastructure competition and the resulting high level of investment in the Swiss broadband infrastructure.

We plan to modernise the fixed network in all Swiss municipalities by 2021, covering 90% of homes and

offices throughout Switzerland with ultra-fast broadband (at least 80 Mbps). By 2025, fibre-optic coverage (FTTH) should nearly double compared with 2019. This means that 50 to 60% of all homes and offices will have a bandwidth of up to 10 Gbps in future. At the same time, we will continue to modernise the existing network in the coming years, giving 30 to 40% of homes and offices access to a bandwidth of 300 to 500 Mbps.

### Networks for advanced solutions

The expansion of the fifth generation of mobile communications (5G) will continue to shape us in the years to come. It will provide the necessary capacities for the increasing data traffic in the mobile network and enable a digital, innovative Switzerland. 5G makes smart cities, smart farming, networked factories and intelligent houses technically feasible, unites diverse technologies, and lays the groundwork for the expansion of an efficient Internet of Things (IoT).

In the year under review, the expansion of 5G affected not only us but also the population. Fears and uncertainty led to numerous political initiatives at communal, cantonal and national level and, in some cases, culminated in the unlawful issuance of moratoria calling for a halt to building permits. As a result, the expansion of 5G and to some extent also of 4G has been delayed regionally. The consequences will only become apparent in the future because the expansion of mobile communications is anticipatory. We take the concerns and uncertainty of the population regarding the new technology seriously. However, we believe that further expansion is necessary to meet the growing need for mobile data: last year, data traffic increased by 29%. However, capacities could only be increased by 5%.

If Switzerland is to make full use of the possibilities offered by 5G, the framework conditions will need to be adjusted (see "Current challenges"). The Mobile Radio and Radiation working group set up by DETEC has presented various options. In order to improve the level of information, we provide information on our channels and support the industry association asut in its information campaigns, most recently with the establishment of the information platform CHANCE5G.

### Basic service provision – comprehensive network coverage

We are responsible for providing basic telecoms services in Switzerland, and have 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. Since 2020, the guaranteed minimum transmission speed for a broadband Internet connection has been 10 Mbps (downloads) and 1 Mbps (uploads). Depending on the scope of the services purchased, the price ceiling for this

service (including fixed-line telephony) is CHF 55 per month (excluding VAT).

A motion by the National Council's Transport and Telecommunications Committee (TTC), calling for an increase in the minimum speed to 80 Mbps within the universal service, is currently pending in the national parliament. In addition, a cantonal initiative by the canton of Ticino, calling for a nationwide high bandwidth network, has

been placed on hold in parliament. The implementation of both these proposals will raise fundamental questions about the future structure of the universal service and the financing of network expansion in Switzerland. The issues of "public service" and "governance" in companies with strong links to the government are currently the subject of various political initiatives and are also highly relevant to Swisscom's business activities.

	Unit	2018	2019	2020
Emergency calls	in thousand	2,824	3,000	3,036
Calls to the service for visually and hearing impaired	in thousand	293	252	286

Even in locations that are difficult to access, we meet the technical challenges and guarantee the basic service. As part of the conversions, in the past two years we have retrofitted 304 alpine businesses and huts with the latest technologies (All IP and power supply).

As part of basic service provision, we also maintain special services for persons with disabilities (see "Accessibility").

### Net neutrality

In 2014, together with other network operators and the Suissedigital and asut associations, we drew up a code of conduct for an open Internet. The code lays down that everyone in Switzerland should be able to use the content, services, applications, hardware and software of their choice. Subject to regulatory requirements, we therefore do not block or impede any services or applications. This ensures that freedom of information and free expression of opinion on the web are not limited in any way. In 2015, Suissedigital and asut set up the independent net neutrality ombudsman's office. Anyone who believes that their service provider has breached the code of conduct can contact the ombudsman's office if the issue is not resolved in prior discussions with the network operator. None have so far been found by the ombudsman's office to have violated net neutrality.

The revised Telecommunications Act (TCA) now includes provisions on the granting of net neutrality and adopts specific rules which were previously only contained in the aforementioned code. In view of this, the ombudsman's office and the industry code were abolished at the end of 2020.

## Mobile telephony and society

### Management approach

Some 8.5 million Swiss citizens use 11.5 million mobile phone connections. The amount of data transmitted on the mobile network is growing all the time. The infrastructure therefore has to be constantly expanded (see "Network expansion and dismantling"). However, some sections of the population are voicing health concerns

about the electromagnetic fields which carry the mobile communications. To date, there is no scientific evidence that mobile telephony represents a health risk. This was confirmed in the year under review by the WHO, the International Commission on Non-Ionizing Radiation Protection and the US Food and Drug Administration.

Nevertheless, we take the concerns of the population seriously and have therefore engaged in dialogue in relation to the controversy surrounding mobile communications and the environment for 20 years now. This was particularly important in the year under review due to the expansion of the 5G mobile communication standard. We employ experts from the fields of research, technology and communications so that we act 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 (which includes the CEO and CIO) and, together with a representative of the top management, forms a specialist group.

The aim of our efforts is to increase acceptance of the mobile communications infrastructure. To this end, we consider it essential to impart knowledge, clarify misunderstandings and counteract untruths. This is done online, by telephone and often in direct conversation with people and stakeholder groups. We communicate with people in a precise and fair manner.

We also attach great importance to promoting high-quality research in order to clarify outstanding issues relating to mobile communications and the environment. In particular, we support the Swiss Research Foundation for Electricity and Mobile Communication (FSM) based at the Federal Institute of Technology in Zurich (ETH Zurich).

© See [www.swisscom.ch/radiation](http://www.swisscom.ch/radiation)

### Electromagnetic fields

As a responsible player, we have a fundamental interest in operating a technology that harms neither people nor the environment. We do not limit ourselves to merely complying with the relevant laws. On the contrary, we provide technical, scientific and communicative support for the



issue of mobile communications and the environment on a voluntary basis. Our aim is to further the development of mobile communications, to promote research and to engage in dialogue with stakeholder groups.

When operating our mobile communications installations, we comply with 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. So far, no negative effects on organisms have been demonstrated. Science therefore considers such concerns to be unfounded. However, it admits that there are still open questions, and we are supporting the research that seeks to answer them.

The Sustainability, Public Affairs, 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. There is also an interdisciplinary team that coordinates the measures.

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

#### **Advice and information on wireless technologies**

Local construction projects or articles in the media often lead to questions and demands on Swisscom. Open and honest dialogue with our stakeholders is important to us. This is why seven trained Swisscom employees dedicate themselves exclusively to these issues. In the year under review, we held 106 discussions (prior year: 265) and conducted correspondence and telephone calls 181 times (prior year: 427) with key stakeholder groups on the subjects of mobile communications and the environment and presented our position at public information events. Compared with the previous year, our communication in this area was clearly reduced. We also note that the controversy surrounding the expansion with 5G has become more objective. Nevertheless, we continue to attach great importance to information in the field of mobile communications and the environment.

We maintain a regular exchange with environmental agencies to ensure that we fulfil the environmental requirements for mobile communications correctly at all times and to share knowledge. Two 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.

In the year under review, we investigated the opportunities and limitations of a small-cell mobile communications network in a simulation project with the city of St.Gallen. The simulation confirmed that our network expansion strategy, which combines the advantages of

macro and micro cells, has significant advantages over a small-cell network.

#### **Research and development**

In electromagnetic field research, we cooperate with internal and external specialists who analyse studies and support relevant scientific work. We collaborate with and financially support 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, interprets and comments on the latest research published on the effects of electromagnetic fields on organisms and the measurement of immissions. In the year under review, the Foundation Board elected a new administrative office manager as the long-serving incumbent will retire in spring 2021.

#### **ONIR limits**

In Switzerland, the legal obligation to limit emissions from mobile communication installations is set out in the Ordinance on Non-Ionising Radiation (ONIR). In the year under review, we again met all federal legal requirements and transferred 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. We are required to operate a quality assurance system (QAS) for our mobile base stations. Our QAS is certified in accordance with 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). We passed the review with our targeted capability rating of three out of a maximum of five.

For places where people spend longer periods of time, the ONIR sets limits that are 10 times stricter than those recommended by the WHO for prevention. These installation limit values therefore represent a precautionary measure. The mobile phone industry and some politicians wanted to relax these installation limit values moderately by political means – but not to abolish them because they too are committed to the very strict Swiss precautionary approach.

#### **Information about radiation values of devices**

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. We provide this information in response to the desire of some customers to take account of 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. At the end of 2020, we offered 39 different smartphones. A total of 35% are below 0.8 W/kg (prior year: 55%), while 23% are even below 0.6 W/kg (prior year: 50%).

The fact that the average SAR limits are currently higher than those of the device portfolio a year ago proves how marginal this issue is for manufacturers. Also, at most 2% of our shop customers are interested in it. However, a lower SAR value should not be overestimated: if you want to protect yourself against mobile phone emissions, you can do this more effectively by making calls with a good connection and using a headset for long conversations.

The calculated field intensities of Swisscom locations can also be accessed online for almost any residential address in Switzerland.

☉ See [www.swisscom.ch/fieldstrength](http://www.swisscom.ch/fieldstrength)

## Current challenges

Due to strict legal limits, the new 5G technology will not be able to exploit its full potential in Switzerland for the time being: the majority of the current sites have already exhausted the 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.

We are therefore advocating a moderate adjustment of the Ordinance on Non-Ionising Radiation (ONIR) and its enforcement regulations so that Switzerland can make full use of the possibilities offered by 5G and meet future requirements. The experts of DETEC's Mobile Radio and Radiation working group have elaborated measures that meet the needs of mobile network operators and our customers as well as take account of the precautionary principle required by the Environmental Protection Act (see "Electromagnetic fields").

## Data protection

Swisscom attaches great importance to the legally compliant and responsible processing of personal data. For this reason, in the year under review we further expanded the measures for the protection of personal data and introduced a framework to ensure data ethics.

Data protection within our company is controlled and monitored by a central data governance unit, which works closely with all the relevant divisions and other staff units. In order to ensure adequate data governance, the responsible unit issued several directives and information sheets in the year under review. In addition, employees with a data governance role at Swisscom and at Group companies received in-depth job-specific training. The awareness of the rest of the workforce with regard to data protection and confidentiality was further raised by means of appropriate learning content. What is more, we significantly expanded the testing of systems and applications for their compliance with legal data protection and confidentiality requirements. Fur-

ther progress was also made with the development of technical tools to support data governance.

Swisscom began implementing the new Federal Act on Data Protection (FADP) in the year under review. The FADP regulates the handling of personal data and had been undergoing revision since 2016. The revised version was adopted by the Federal Assembly in the autumn 2020 session. It is not yet known when it will come into force. Swisscom predicts the new FADP will come into force in 2022.

To ensure data ethics, a newly created, diversely composed Data Ethics Board has reviewed various cases to ensure that they comply with Swisscom's ethical principles. The data ethics framework has proven itself and will be continued.

☉ See [www.swisscom.ch/dataprotection](http://www.swisscom.ch/dataprotection)

## Responsibility towards society

Our history is closely tied to Switzerland and the people of this country. Our commitment therefore goes back a long way.

We share our expertise at a European, national and regional level and, on our own or in partnership with others, we support activities that contribute to social cohesion, the digitisation of society and the common good. There are three areas in which we focus our activities: the fostering of technical, cultural and political relationships, projects carried out as part of our corporate responsibility, and support for national and regional events, mainly in culture and sport.

### Memberships and partnerships

We work with various partners at national and international level on a project-specific basis in order to further develop our strategic priorities. In choosing our partnerships and memberships, we attempt to ensure that the institutions concerned serve as an ideal complement to our company in terms of their professional competence and thus make an important contribution to the achievement of our strategy. They must also share our values and have an excellent reputation and a high level of credibility in their area of activity.

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

Our sponsoring activities are spread across all regions of Switzerland and aimed at a wide range of stakeholder groups.

☉ See [www.swisscom.ch/sponsoring](http://www.swisscom.ch/sponsoring)

### Actor in public debates

In the representation of our interests, we follow a solution-oriented approach, both for the common good and in the interests of our company. We are committed to maintaining transparent and trusting relationships with

politicians, public authorities and the community. We participate in public hearings and events and play our part in the political process by issuing written statements. In line with our 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), we reject unlawful or ethically questionable practices aimed at exerting influence on opinion leaders and decision-makers. Moreover, we are a non-denominational and politically neutral organisation and we do not support any parties financially. An internal ethics board assesses planned projects and services for compatibility with ethical principles (see “Corporate ethics”).

We maintain contact with the European Telecommunications Network Operators’ Association (ETNO), national politicians, authorities and associations in all regions of Switzerland. First and foremost, we provide information on infrastructure and security issues, on the necessary framework conditions in line with our corporate strategy and on our engagements.

As a responsible corporate citizen, we contribute both with planned projects and services as well as professionally to public discussions on the following issues:

- **Education policy:** we support ICT training places and the “digital switzerland” initiative, which hosted Digital Days 2020 among other things, we promote Switzerland as an ICT location, we support schools in the area of youth media protection and we are continuing to develop the “Internet for Schools” project.
- **Digitisation:** through the switch to All IP, we have put in place the technical requirements for digitising communication and ensuring the competitiveness of Swiss business.
- **Mobile expansion:** by obtaining the licences to build the fifth generation of mobile communications, we are 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. We are thus laying a solid foundation for digitising and strengthening Switzerland as a place to do business.
- **Basic service provision:** ComCom has awarded Swisscom the current universal service licence until 31 December 2022.
- **Customer friendliness:** we are continually improving our customer information systems, for example with services such as Swisscom Cockpit for customers who are travelling abroad.

During the lockdown, the demand for telecommunications services in Switzerland rose sharply. With additional data volumes, home office solutions and roaming credits, we stood by our customers in these challenging times. Swisscom shops were open at certain times so

that the population could receive local advice or support alongside the online offerings.

During the year under review, as in the previous financial year, we submitted statements as part of numerous consultations at federal level. These included statements on the Ordinance on the Return, Taking Back and Disposal of Electrical and Electronic Equipment (VREG) and the Dispatch on Culture for 2021–2024, which provides for the promotion of European and Swiss works by adjusting the levies laid down in the Film Act. In the context of the current political deliberations, the implementation of the parliamentary initiative to introduce a wage cap for executives of companies with close ties to the federal government and the motion calling for an increase in the minimum bandwidth in the basic service to 80 Mbps are of particular importance to us.

### Unresolved regulatory issues

The following additional business relating to Swisscom is currently being discussed in Parliament:

A referendum was successfully called after the conclusion of the deliberations on the Federal Act on the Introduction of an Electronic Identity Card (eID). The Swiss people will therefore vote on the bill. The date of the referendum is not yet known.

In connection with the package of measures to cushion the economic consequences of the spread of the coronavirus, amendments concerning media promotion and support were adopted in Parliament in the area of electronic media. These are to be implemented in the existing decrees of the Radio and Television Act (RTVA) and the Postal Act (PA). In addition to the expansion of indirect press promotion, support measures for online and electronic media are planned. We are not directly affected by these measures.

The revised Telecommunications Act (TCA) and its implementing ordinances came into force on 1 January 2021 and 1 July 2021 respectively. The regulations in the area of consumer protection (per-second billing in roaming, obligation to introduce a call filter, etc.) drew particular public attention.

Among the general public and in political inquiries and initiatives, the security of ICT equipment has gained in relevance due to the trade dispute between the USA and China. We pursue a multi-vendor strategy and work with Huawei, among others. Swiss politicians are currently refraining from interfering in the commercial freedom of ICT companies. We are closely following the relevant developments in Switzerland and the EU.

## Offerings in the healthcare sector

The healthcare sector is in the midst of a digital transformation. As a leading ICT company, we are supporting this transformation with appropriate technology. We are contributing to a more efficient and patient-centred healthcare system and opening up promising and exciting business opportunities.

We are networking the Swiss healthcare system by making health information digitally accessible to customers and nursing staff. We are enabling a simple and secure exchange of data and thus increasing quality in the healthcare sector.

In 2020, we expanded our customer base in the healthcare sector: currently, some 4,000 medical practices, 550 therapy practices, 150 hospitals and 70 laboratories and institutes use our solutions.

In addition, 14 Swiss cantons are relying on our technology as they introduce electronic patient dossiers (EPD). Around 60% of hospitals, nursing homes and general practitioners are in the catchment area of the XAD core community and more than half of the population live there. In the year under review, we made decisive progress in establishing the necessary infrastructure. As soon as the certification procedure of the core communities is completed, the inhabitants will be able to open an EPD. This is expected to happen in spring 2021.

## 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 80.2 billion in 2018, up 0.8% on the previous year. The ratio of health expenditure to gross domestic product was therefore 11.2%. Expenditure per capita and per month amounted to CHF 785.

The digitalisation of processes and information leads to greater efficiency in the healthcare system and thus holds great potential in the fight against rising healthcare costs. This is where our solutions come into play. Among other things, we optimise processes such as recording of the digital medical history, referrals and the exchange of information between the parties involved.

## A focus on people

In addition to increasing efficiency, digitisation in the healthcare sector enables the patient to be put even more clearly at the centre of all activities (“patient empowerment”). On the one hand, the EPD allows healthcare professionals quick and secure access to treatment-relevant documents and information. As a result, unnecessary or duplicate treatments can be avoided. On the other hand, each EPD owner can easily access his or her own health data, regardless of location, and determine which other persons may view this information.

# About this report

## Scope of the report

### Principles

The Sustainability Report relates to Swisscom Ltd and all subsidiaries domiciled in Switzerland which were fully consolidated in accordance with the International Financial Reporting Standards (IFRS). The participation in the Group company blue Entertainment Ltd is excluded because its effect is immaterial and not all of the requirements listed in the management approach of the IFRS apply to blue Entertainment Ltd. In line with GRI reporting requirements, acquisitions are included from 1 January of the year following 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"), 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. Our 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 2020 (see Annual Report, page 118).

### Personnel information system

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

### Environment

The environmental key figures (especially energy, water and waste water, emissions and waste) cover almost 100% of our FTEs in Switzerland, with the exception of the Group company CT Cinetrade Ltd. The CO<sub>2</sub> emissions of Fastweb are included, but are excluded from the calculation of the target for "Ready for the environment". All buildings in Switzerland that are managed by our real estate management and the vehicle fleet managed by our mobility management are included in the reporting. As regards electricity generation and 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 our third-party tenants is deducted from the total energy consumption. The data regarding emissions in our supply chains is based on a projection that takes account of 72% 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 61% of our order volume (prior year: 54%).

### Social aspects

Information on social relationships in our supply chains is based on audits carried out as part of the Joint Audit Cooperation (JAC) and on self-declarations and Corporate Responsibility contract annexes. The latter cover almost all our suppliers, with particular importance attributed to the situation outside OECD countries.

## Reporting

### Consideration of international guidelines

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 for reporting on contributions to the 2030 Agenda were again considered and implemented. We also took into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the areas of governance, strategy and risk management as well as the Science Based Target Initiative (SBTI) in "Ready for the environment" and in the Climate Report.

### Dialogue with stakeholders

We involve our internal and external stakeholder groups in order to assess the importance of our issues and to determine the strategic priorities. The issues are included in the materiality matrix (see page 12). They form the basis for the report. Every two years we conduct a corresponding survey of representative stakeholders, with the response rate ranging from 50 to 75%. In addition, stakeholder groups present issues directly to us. The analysis of these responses is described in "Stakeholder involvement".

We also use findings from current studies, market research, trend analyses and benchmark reports.

If necessary, we work with specific stakeholder groups to develop processes and measures to address individual key issues and strategic priorities: for example, together with the Swiss Federal Office of Energy (SFOE), we provide information about our contribution to the "Exemplary Energy and Climate" (VBE) initiative and contribute

to media skills in collaboration with other businesses in the ICT sector and in contact with the Federal Social Insurance Office (FSIO). In addition, we work with the Energy Agency of the Swiss Private Sector (EnAW).

### Validation and verification

The reporting process comprises the Annual Report, “2020 at a glance”, 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). We also voluntarily chose opting-in and registered our Sustainability Report with SIX Exchange Regulation AG.



## CERTIFICATION

### SGS CERTIFICATION of the Swisscom AG 2020 GRI Sustainability Report

#### SCOPE

SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2020. 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 2020 data in accompanying tables contained in the Sustainability Report 2020 and referenced information in the Annual Report 2020 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 assessor 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 2020 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 2020. 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, 25.01.2021

[www.SGS.COM](http://www.SGS.COM)

## GRI Index

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

Indicators	Status	Reference SR = Sustainability Report, AR = Annual Report
Key: Indicator according to GRI Standards (within scope of the report) ∅ = not relevant <input checked="" type="checkbox"/> = not covered <input type="checkbox"/> = partially covered <input checked="" type="checkbox"/> = totally covered		
<b>102 General Disclosures</b>		
<b>Organizational profile</b>		
102-1	Name of the organization	<input checked="" type="checkbox"/> AR: Notes to the consolidated financial statements: Other disclosures
102-2	Activities, brands, products and services	<input checked="" type="checkbox"/> AR: Brands, products and services
102-3	Location of headquarters	<input checked="" type="checkbox"/> See 102-1, CH-3048 Worblaufen
102-4	Location of operations	<input checked="" type="checkbox"/> AR: 2 Group structure and shareholders AR: 5.4 Group companies
102-5	Ownership and legal form	<input checked="" type="checkbox"/> AR: 2 Group structure and shareholders AR: Notes to the consolidated financial statements: Other disclosures
102-6	Markets served	<input checked="" type="checkbox"/> AR: Swiss market trends in telecoms and IT services
102-7	Scale of the organization	<input checked="" type="checkbox"/> AR: KPIs of Swisscom Group AR: Business overview AR: Financial review AR: 2 Group structure and shareholders
102-8	Information on employees and other workers	<input checked="" type="checkbox"/> AR: Employees SR: Total workforce in Switzerland SR: Scope of the report: Personnel information system
102-9	Supply Chain	<input checked="" type="checkbox"/> SR: Value chain, supply chain and key aspects of Corporate Responsibility SR: Fair supply chain
102-10	Significant changes to the organization and its supply chain	<input checked="" type="checkbox"/> AR: 2 Group structure and shareholders No significant changes in the supply chain.
102-11	Precautionary principle or approach	<input checked="" type="checkbox"/> AR: Health and the environment AR: Pension fund and fringe benefits AR: Pension plans SR: The Group's Precautionary principle SR: comPlan pension fund SR: Supplier risk management
102-12	External initiatives	<input checked="" type="checkbox"/> <a href="http://www.swisscom.ch/cr-partnerships">www.swisscom.ch/cr-partnerships</a>
102-13	Membership of associations	<input checked="" type="checkbox"/> SR: Memberships and Partnerships <a href="http://www.swisscom.ch/cr-partnerships">www.swisscom.ch/cr-partnerships</a>



Indicators	Status	Reference SR = Sustainability Report, AR = Annual Report
<p>Key: Indicator according to GRI Standards (within scope of the report)            ∅ = not relevant    ☒ = not covered    ☐ = partially covered    ☑ = totally covered</p>		
<b>Strategy</b>		
102-14	Statement from senior decision maker	☑ AR: Shareholders' letter SR: Stakeholders' letter
102-15	Key impacts, risks, and opportunities	☑ Context: AR: General conditions SR: Sustainable environment Risks: AR: Risks SR: Main risk factors in the supply chain Chances: AR: Brands, products and services Goals and strategy: AR: Corporate strategy SR: Sustainability strategy
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	☑ Link: <a href="http://www.swisscom.ch/basicprinciples">www.swisscom.ch/basicprinciples</a> – Code of Conduct SR: Vision AR: Compliance Management SPAG: SPAG: <a href="http://www.public-affairs.ch/de/standeskommission/standesregeln">http://www.public-affairs.ch/de/standeskommission/standesregeln</a> Codex from Lisbon: <a href="https://prsuisse.ch/uploads/media/prsuisse/1105/kodex_von_lissabon_verhaltensno256.pdf">https://prsuisse.ch/uploads/media/prsuisse/1105/kodex_von_lissabon_verhaltensno256.pdf</a> SR: Corporate ethics
102-17	Mechanisms for advice and concerns about ethics	☑ SR: Compliance management AR: Compliance management AR: Internal auditing

Indicators	Status	Reference SR = Sustainability Report, AR = Annual Report
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<b>Governance</b>		
102-18 Governance structure	☑	SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board
102-19 Delegating authority	☑	SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board
102-20 Executive level responsibility for economic, environmental, and social topics	☑	SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board
102-21 Consulting stakeholders on economic, environmental, and social topics	☑	AR: 7.3 Convocation of the Annual General Meeting and agenda items Internet contact page <a href="http://www.swisscom.ch/de/about/investoren/kontakt.html">www.swisscom.ch/de/about/investoren/kontakt.html</a> ; See also Website <a href="https://ip-ho.computershare.ch/swisscom">https://ip-ho.computershare.ch/swisscom</a> for registered shareholders of Swisscom.
102-22 Composition of the highest governance body and its committees	☑	AR: 4 Board of Directors AR: 5 Group Executive Board
102-23 Chair of the highest governance body	☑	AR: 4 Board of Directors AR: 5 Group Executive Board
102-24 Nominating and selecting the highest governance body	☑	AR: 4.5 Election and term of office AR: 4.10 Committees of the Board of Directors: Nomination Committee
102-25 Conflicts of interest	☑	<a href="http://www.swisscom.ch/basicprinciples">www.swisscom.ch/basicprinciples</a> – Organisational Regulations AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board
102-26 Role of highest governance body in setting purpose, values, and strategy	☑	<a href="http://www.swisscom.ch/basicprinciples">www.swisscom.ch/basicprinciples</a> – Organisational Regulations SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board
102-27 Collective knowledge of highest governance body	☑	AR: 4.9 Internal organisation and modus operandi
102-28 Evaluating the highest governance body's performance	☑	SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board Group Executive Board members were nominated as internal sponsors for the strategic priorities of the sustainability strategy The Audit Committee from the Board of Directors is validating the report in two steps before the publication: An independent proxy is validating the Remuneration Report; The report is released by the Board of Directors.

Indicators	Status	Reference SR = Sustainability Report, AR = Annual Report
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102-29 Identifying and managing economic, environmental, and social impacts	<input checked="" type="checkbox"/>	SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board
102-30 Effectiveness of risk management processes	<input checked="" type="checkbox"/>	AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board AR: Risk management AR: Internal auditing
102-31 Review of economic, environmental, and social topics	<input checked="" type="checkbox"/>	AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board: annually AR: Risk management: quarterly at the Audit Committee AR: Internal control system and financial reporting: quarterly at the Audit Committee AR: Compliance management: quarterly at the Audit Committee AR: Internal auditing: quarterly at the Audit Committee In urgent cases: contemporary
102-32 Highest governance body's role in sustainability reporting	<input checked="" type="checkbox"/>	The Audit Committee from the Board of Directors is validating the report in two steps before the publication: An independent proxy is validating the Remuneration Report; The report is released by the Board of Directors SR: Governance AR: 2 Group structure and shareholders AR: 4 Board of Directors AR: 4.9 Internal organisation and modus operandi AR: 4.11 Assignment of powers of authority AR: 5 Group Executive Board
102-33 Communicating critical concerns	<input checked="" type="checkbox"/>	AR: 4.12 Information and controlling instruments of the Board of Directors vis-à-vis the Group Executive Board The Chairman of the Audit Committee is informed in real time in urgent cases on new essential risk.
102-34 Nature and total number of critical concerns	<input checked="" type="checkbox"/>	As a basic principle of the Whistleblowing anonymity is guaranteed, for this reason, Swisscom communicates neither the number nor other details about concerns.
102-35 Remuneration policies	<input checked="" type="checkbox"/>	AR: 3 Remuneration of the Group Executive Board
102-36 Process for determining remuneration	<input checked="" type="checkbox"/>	AR: 4.2 Key management compensation
102-37 Stakeholders' involvement in remuneration	<input checked="" type="checkbox"/>	SR: Stakeholders and strategic priorities AR: 7.3 Convocation of the Annual General Meeting and agenda items; Protocol
102-38 Annual total compensation ratio	<input checked="" type="checkbox"/>	SR: Total workforce in Switzerland
102-39 Percentage increase in annual total compensation ratio	<input checked="" type="checkbox"/>	SR: Total workforce in Switzerland
<b>Stakeholder engagement</b>		
102-40 List of stakeholder groups	<input checked="" type="checkbox"/>	SR: Stakeholders and strategic priorities
102-41 Collective bargaining agreements	<input checked="" type="checkbox"/>	SR: Total workforce in Switzerland
102-42 Identifying and selecting stakeholders	<input checked="" type="checkbox"/>	SR: Stakeholders and strategic priorities
102-43 Approach to stakeholder engagement	<input checked="" type="checkbox"/>	SR: Stakeholder involvement SR: Stakeholders and strategic priorities SR: Scope of the report SR: Reporting: procedure and organisation
102-44 Key topics and concerns raised	<input checked="" type="checkbox"/>	SR: Material issues SR: Group of stakeholders

Indicators	Status	Reference SR = Sustainability Report, AR = Annual Report
Key: Indicator according to GRI Standards (within scope of the report) ∅ = not relevant <input checked="" type="checkbox"/> = not covered <input type="checkbox"/> = partially covered <input checked="" type="checkbox"/> = totally covered		
<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	<input checked="" type="checkbox"/> AR: 2 Group structure and shareholders AR: 5.4 Group companies
102-46	Defining report content and topic boundaries	<input checked="" type="checkbox"/> SR: Scope of the report SR: Reporting: procedure and organisation
102-47	List of material topics	<input checked="" type="checkbox"/> SR: Material issues SR: Materiality matrix 2020 SR P. 61 Reporting
102-48	Restatements of information	<input checked="" type="checkbox"/> No "Restatements" in 2020
102-49	Changes in reporting	<input checked="" type="checkbox"/> SR: Group of stakeholders SR: Material issues SR: Materiality matrix 2020
102-50	Reporting period	<input checked="" type="checkbox"/> 01.01.2020–31.12.2020
102-51	Date of most recent report	<input checked="" type="checkbox"/> <a href="http://www.swisscom.ch/report2019">www.swisscom.ch/report2019</a>
102-52	Reporting cycle	<input checked="" type="checkbox"/> annual
102-53	Contact point for questions regarding the report	<input checked="" type="checkbox"/> <a href="http://www.swisscom.ch/en/about/impressum.html">www.swisscom.ch/en/about/impressum.html</a>
102-54	Claims of reporting in accordance with the GRI Standards	<input checked="" type="checkbox"/> SR: Scope of the report: Principles This report has been prepared in accordance with the GRI Standards: Comprehensive option.
102-55	GRI content index	<input checked="" type="checkbox"/> SR: GRI Index
102-56	External assurance	<input checked="" type="checkbox"/> SR: SGS Certification
<b>200 Economic Topics</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> AR: Shareholders' letter
103-2	The management approach and its components	<input checked="" type="checkbox"/> AR: Shareholders' letter <a href="http://www.swisscom.ch/basicprinciples">www.swisscom.ch/basicprinciples</a> – Code of conduct AR: Corporate strategy AR: Financial outlook
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> AR: Shareholders' letter
<b>201 Economic Performance</b>		
201-1	Direct economic value generated and distributed	<input checked="" type="checkbox"/> AR: Statement of added value
201-2	Financial implications and other risks and opportunities due to climate change	<input checked="" type="checkbox"/> AR: Sustainability strategy Siehe 302-3, 302-4, 302-5, 305-4 und 306-5; <a href="http://www.cdp.net">www.cdp.net</a>
201-3	Defined benefit plan obligations and other retirement plans	<input checked="" type="checkbox"/> AR: 4.3 Post-employment benefits SR: comPlan pension fund AR: Collective employment agreement (CEA) AR: Employees in Switzerland (100% der Mitarbeitenden); SR: The Employee Representation Committee's commitment to safety
201-4	Financial assistance received from government	<input type="checkbox"/> ∅ From a Group standpoint there were no matters in 2020 requiring disclosure in accordance with IAS 20 and no government grants at all.
<b>202 Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<input checked="" type="checkbox"/> AR: Employee remuneration SR: Total workforce in Switzerland
202-2	Proportion of senior management hired from the local community	<input checked="" type="checkbox"/> There is no location-based staff selection.
<b>203 Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	<input checked="" type="checkbox"/> AR: Capital expenditure SR: Basic service provision SR: Education policy
203-2	Significant indirect economic impacts	<input checked="" type="checkbox"/> SR: Ready for Switzerland

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<b>204 Procurement Practices</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
204-1	Proportion of spending on local suppliers	<input checked="" type="checkbox"/> There is a location-based supplier selection for the location Switzerland.
<b>205 Anti-Corruption</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: The Group's precautionary principle SR: Compliance management
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Compliance management
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Compliance management
205-1	Operations assessed for risks related to corruption	<input checked="" type="checkbox"/> Risk-prone procedures are examined.
205-2	Communication and training about anti-corruption policies and procedures	<input checked="" type="checkbox"/> Annual anti-corruption training SR: Compliance management
205-3	Confirmed incidents of corruption and actions taken	<input checked="" type="checkbox"/> No corruption cases have been identified.
<b>206 Anti-Competitive Behaviour</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: The Group's precautionary principle SR: Compliance management
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Compliance management
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Compliance management
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<input checked="" type="checkbox"/> AR: Legal environment AR: Federal Cartel Act (CartA) AR: Contingent liabilities for regulatory and competition law proceedings
<b>300 Environmental Topics</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Ready for the environment
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Ready for the environment
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Ready for the environment
<b>301 Materials</b>		
301-1	Materials used by weight or volume	<input type="checkbox"/> SR: Use of other resources The report only includes selected materials.
301-2	Recycled input materials used	<input type="checkbox"/> SR: Recycling Only data on selected topics are listed.
301-3	Recycled products and their packaging materials	<input type="checkbox"/> SR: Circular economy Quantities are not reported. SR: Paper
<b>302 Energy</b>		
302-1	Energy consumption within the organization	<input checked="" type="checkbox"/> SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
302-2	Energy consumption outside of the organization	<input checked="" type="checkbox"/> SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
302-3	Energy intensity	<input checked="" type="checkbox"/> SR: Energy efficiency and climate protection SR: Energy consumption and climate footprint
302-4	Reduction of energy consumption	<input checked="" type="checkbox"/> SR: Energy consumption and climate footprint SR: Environmental key figures in Switzerland
302-5	Reductions in energy requirements of products and services	<input type="checkbox"/> SR: CO <sub>2</sub> savings due to ICT services There is no metric for the savings of the products sold in the reporting year. SR: Climate protection through customers and portfolio SR: Environmental key figures in Switzerland

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<b>303 Water</b>		
303-1	Interactions with water as a shared resource	<input checked="" type="checkbox"/> SR: Environmental key figures in Switzerland SR: Water
303-2	Management of water discharge-related impacts	<input type="checkbox"/> Not relevant, as water is only used for sanitary purpose.
303-3	Water withdrawal	<input type="checkbox"/> Household water only.
<b>304 Biodiversity</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<input checked="" type="checkbox"/> SR: Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	<input checked="" type="checkbox"/> SR: Biodiversity
304-3	Habitats protected or restored	<input checked="" type="checkbox"/> SR: Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<input type="checkbox"/> Not collected as not relevant.
<b>305 Emissions</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Energy efficiency and climate protection – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Energy efficiency and climate protection – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Energy efficiency and climate protection – Management approach
305-1	Direct (Scope 1) GHG emissions	<input checked="" type="checkbox"/> SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
305-2	Energy indirect (Scope 2) GHG emissions	<input checked="" type="checkbox"/> SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
305-3	Other indirect (Scope 3) GHG emissions	<input checked="" type="checkbox"/> SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
305-4	GHG emissions intensity	<input checked="" type="checkbox"/> SR: The most important indicators for the achievement of Swisscom's sustainability targets Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
305-5	Reduction of GHG emissions	<input checked="" type="checkbox"/> SR: Climate protection solutions for our customers SR: Environmental key figures in Switzerland Separate climate report Swisscom 2020 available online at the link: <a href="http://www.swisscom.ch/climatereport2020">www.swisscom.ch/climatereport2020</a>
305-6	Emissions of ozone-depleting substances (ODS)	<input checked="" type="checkbox"/> SR: Cooling systems and refrigerants
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	<input checked="" type="checkbox"/> SR: Environmental key figures in Switzerland
<b>306 Effluents and waste</b>		
306-1	Water discharge by quality and destination	<input checked="" type="checkbox"/> Water is only used for sanitary purposes.
306-2	Waste by type and disposal method	<input checked="" type="checkbox"/> SR: Recycling SR: Waste SR: Environmental key figures in Switzerland
306-3	Significant spills	<input checked="" type="checkbox"/> No significant releases known.
306-4	Transport of hazardous waste	<input type="checkbox"/> Not relevant. Swisscom did not transport in 2020 waste classified under the Basle Convention.
306-5	Water bodies affected by water discharges and/or runoff	<input type="checkbox"/> Not relevant. Waste water is discharged into municipal sewage treatment plants.

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<b>307 Environmental compliance</b>		
307-1	Non-compliance with environmental laws and regulations	<input checked="" type="checkbox"/> No fines or penalties for non-compliance were imposed in 2020. SR: Compliance management
<b>308 Supplier Environmental Assessment</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
308-1	New suppliers that were screened using environmental criteria	<input checked="" type="checkbox"/> SR: Audits
308-2	Negative environmental impacts in the supply chain and actions taken	<input checked="" type="checkbox"/> SR: Audits SR: Main risk factors in the supply chain
<b>400 Social</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Ready for people – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Ready for people – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Ready for people – Management approach
<b>401 Employment</b>		
401-1	New employee hires and employee turnover	<input checked="" type="checkbox"/> SR: Total workforce in Switzerland AR: Social plan
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<input checked="" type="checkbox"/> AR: Employees SR: General terms and conditions of employment
401-3	Parental leave	<input checked="" type="checkbox"/> SR: General terms and conditions of employment SR: Combining work and home life
<b>402 Labour/management relations</b>		
402-1	Minimum notice periods regarding operational changes	<input checked="" type="checkbox"/> CEA § 3.3 Negotiations should be engaged early enough with the contracting unions.
<b>403 Occupational health and safety</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Occupational health and safety
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Occupational health and safety
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Occupational health and safety
403-1	Occupational health and safety management system	<input checked="" type="checkbox"/> AR: Collective employment agreement (CEA) AR: Employees (100% of staff) SR: The Employee Representation Committee's commitment to safety
403-2	Hazard identification, risk assessment, and incident investigation	<input checked="" type="checkbox"/> SR: Total workforce in Switzerland
403-3	Occupational health services	<input checked="" type="checkbox"/> Swisscom does not operate in areas or countries at high risk of communicable diseases or where communicable diseases are particularly prevalent. In response to the Covid-19-pandemic, various measures were initiated to protect employees. <input checked="" type="checkbox"/> SR: Dealing with the Covid-19 pandemic
403-4	Health and safety issues covered by formal agreements with trade unions	<input checked="" type="checkbox"/> SR: Occupational health and safety

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<b>404 Training and education</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Employability – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Employability – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Employability – Management approach
404-1	Average hours of training per year per employee	<input checked="" type="checkbox"/> SR: Training and education
404-2	Programs for upgrading employee skills and transition assistance programs	<input checked="" type="checkbox"/> SR: Training and education
404-3	Percentage of employees receiving regular performance and career development reviews	<input checked="" type="checkbox"/> SR: Evaluating performance and professional development SR: Total workforce in Switzerland AR: Collective employment agreement (CEA)
<b>405 Diversity and equal opportunity</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Diversity and equal opportunities – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Diversity and equal opportunities – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Diversity and equal opportunities – Management approach
405-1	Diversity of governance bodies and employees	<input checked="" type="checkbox"/> AR: 4 Board of Directors AR: 5 Group Executive Board SR: Total workforce in Switzerland
405-2	Ratio of basic salary and remuneration of women to men	<input checked="" type="checkbox"/> AR: 4 Board of Directors AR: 5 Group Executive Board SR: Total workforce in Switzerland
<b>406 Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	<input checked="" type="checkbox"/> SR: Cases of discrimination and measures taken SR: Audit results – number of issues No incidents of discrimination reported.
<b>407 Freedom of association and collective bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<input checked="" type="checkbox"/> Covered mutually thanks to agreed peace obligation pursuant to CEA.
<b>408 Child labour</b>		
408-1	Operations and suppliers at significant risk for incidents of child labour	<input checked="" type="checkbox"/> SR: Main risk factors in the supply chain
<b>409 Forced or compulsory labour</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<input checked="" type="checkbox"/> SR: Main risk factors in the supply chain
<b>412 Human rights assessment</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments	<input type="checkbox"/> No new company locations in 2020.
412-2	Employee training on human rights policies or procedures	<input checked="" type="checkbox"/> SR: Corporate ethics
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<input checked="" type="checkbox"/> The Corporate Responsibility Contract Appendix (CRV) is part of all contracts.



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<b>414 Supplier social assessment</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Fair supply chains – Management approach
414-1	New suppliers that were screened using social criteria	<input checked="" type="checkbox"/> SR: Audits
414-2	Negative social impacts in the supply chain and actions taken	<input checked="" type="checkbox"/> SR: Audits SR: Main risk factors in the supply chain
<b>415 Public policy</b>		
415-1	Political contributions	<input checked="" type="checkbox"/> SR: Responsibility towards the society Swisscom is politically and denominationally neutral and does not financially support any parties, opinion or decision makers.
<b>416 Customer health and safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	<input checked="" type="checkbox"/> SR: Mobile telephony and society SR: Media protection for minors and promoting media skills
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<input checked="" type="checkbox"/> Relevant health standards for the mobile network are contained in the ICNIRP Guidelines and, in particular, the ONIR. SR: ONIR limits Swisscom complied with the limit values in 2020. SR: Compliance management No violations of regulations related to health and safety impacts of products and services identified.
<b>417 Marketing and labelling</b>		
417-1	Requirements for product and service information and labelling	<input type="checkbox"/> SR: Duty to provide information on products offered at points of sale Not relevant for Switzerland, except with respect to Ordinance on the Disclosure of Prices.
417-2	Incidents of non-compliance concerning product and service information and labelling	<input checked="" type="checkbox"/> SR: Compliance Management Concerning labelling and user information, formal deficiencies were found for two products, which led to a warning.
417-3	Incidents of non-compliance concerning marketing communications	<input checked="" type="checkbox"/> SR: Responsible marketing No violations in connection with marketing and communication detected.
<b>418 Customer privacy</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: Data protection
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Data protection
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Data protection
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<input checked="" type="checkbox"/> SR: Data protection Two incidents involved substantiated complaints from external parties regarding breaches of client data protection. One incident of data loss related to client data detected.
<b>419 Socioeconomic compliance</b>		
103-1	Explanation of the material topics and its boundaries	<input checked="" type="checkbox"/> SR: The Group's precautionary principle
103-2	The management approach and its components	<input checked="" type="checkbox"/> SR: Compliance management
103-3	Evaluation of the management approach	<input checked="" type="checkbox"/> SR: Compliance management
419-1	Non-compliance with laws and regulations in the social and economic area	<input checked="" type="checkbox"/> SR: Compliance management AR: Legal environment

# 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 enables IT infrastructures such as computing capacity, data storage, ready-to-use software and platforms to be accessed dynamically as needed via the internet. 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 assisted communication).

**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

**Anergy network:** Anergy networks are heating and/or cooling networks with which thermal energy is transported between its source (supplier) and a sink (recipient) at close to ambient temperature. Anergy networks are operated as bidirectional grids, i.e. heat is both drawn from the grid and fed into it by the individual buildings. Ideally, the two energy flows should balance each other out. Surpluses or shortfalls must be compensated for by adding heat to the grid or withdrawing it from the grid.

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

**CO<sub>2</sub> eq:** CO<sub>2</sub> equivalents are a unit of measurement for standardising the impact of the various greenhouse gases on the climate (source: myclimate).

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

☞ See [www.siea.ch](http://www.siea.ch)

**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 made with EcoVadis.

**Electromagnetic fields:** Electromagnetic fields occur naturally or are generated technically. They are non-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 has signed a new agreement on objectives for increasing 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 preparing corporate sustainability reports in a participatory process.

**GRI standards:** The GRI standards represent global best practices for public reporting on various economic, environmental and social impacts. Sustainability reporting based on these standards provides information about an organisation's positive or negative contributions to sustainable development (source: [globalreporting.org](http://globalreporting.org)).

**ISO 14001:** An international environmental management standard that sets globally recognised requirements for environmental management systems.

**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. Within the framework of JAC, an international alliance of telecommunications companies plans and conducts CSR audits of suppliers. Swisscom has been a member of 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 with the environmental assessment of its smartphone range, comparisons of sustainable ICT solutions and reviews of climate balances. It is also an educational partner of the "Energy and Climate Pioneers" initiative.

**NEDC:** New European Driving Cycle. Measurement is carried out on the test bench under laboratory conditions. The main differences between the two test procedures (NEDC and WLTC) are different test conditions and with regard to the adjustment of the test cycle. WLTC is more dynamic and features a higher average and maximum speed and length compared to NEDC.

**NISV:** The Swiss Ordinance on Protection against Non-Ionising Radiation (NIRO) defines the maximum permissible electrical, magnetic and electromagnetic radiation from fixed installations in the frequency range from 0-300 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 (by 2050 at the latest). Swisscom has already achieved this 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 sponsor the main elements 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:** The composition of electricity by type of energy production (e.g. hydroelectric or wind power).

**Sustainable Development Goals (SDGs):** The 17 Sustainable Development Goals and their 169 sub-goals form the core of the 2030 Agenda. They take into account the economic, social and environmental dimensions of sus-

tainable development in a balanced way and constitute the first time that poverty reduction and sustainable development have been brought together in a single agenda (source: FDFA).

**Greenhouse gases:** Greenhouse gases, also referred to as “climate gases”. Gases such as CO<sub>2</sub>, methane, sulphur hexafluoride, N<sub>2</sub>O 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.

**WLTC:** The Worldwide Harmonised Light-Duty Vehicles Test Procedure is a way of testing the fuel consumption and emissions of light motor vehicles. Measurement is carried out on the test bench under laboratory conditions. The main differences between the two test procedures (NEDC and WLTC) are different test conditions and with regard to the adjustment of the test cycle. WLTC is more dynamic and features a higher average and maximum speed and length compared to NEDC.

**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 programme 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.